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## STUDIES IN FEDERAL PLANNING

# STUDIES IN FEDERAL PLANNING

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technique of international organisation, and may do something to induce a greater precision in the use of political terminology. For if discussion of these matters is to be of any use, it is important that the distinction between international government and international collaboration should be clearly understood, that Federal, Confederate and League conceptions should not be confused and that there should be a wider knowledge of the way in which problems of inter-State organisation have been solved in the past.

Many of the papers included in this volume have already been published in the "Federal Tracts" series, and all, except for Lord Lothian's essay, were originally written for the Federal Union Research Institute. Whereas the movement known as "Federal Union" exists to secure popular support for a political programme and bears no responsibility for the views expressed in this volume, the F.U.R.I. was formed to undertake an objective study of the technical problems which would arise should Federation in fact be achieved between states with a long tradition of sovereign independence. While the various committees set up by the Institute embodied their findings in a number of privately circulated reports, it was felt that a wider public might be

interested in these problems, and accordingly various experts were invited to state their personal views in a more or less popular form.

The first "Federal Tract" was Sir William Beveridge's *Peace by Federation*. This was an eloquent plea for the creation of a Federation of Western Europe, but the author felt that the political scene had shifted so greatly since his pamphlet was written in the winter of 1939 that many passages were now out of date and that a patch-work revision would be unsatisfactory. Consequently it has been omitted from this collection and in its place appears *The Ending of Armageddon* by Lord Lothian. This essay is in a different category from the other contributions. It was written in the early summer of 1939, before the outbreak of war, and when Mr. Clarence Streit's *Union Now* was attracting much attention with its proposals for a Federation of the Atlantic Democracies. Lord Lothian therefore devoted several passages to a detailed criticism of Mr. Streit's more concrete suggestions, but *The Ending of Armageddon* remains as an admirable statement of the general case against unrestricted national sovereignty, and as a powerful plea by one of the outstanding men of his time for Federalism as the only satisfactory form of inter-state organisation.

*Studies in Federal Planning*, as its name implies, makes no attempt to provide a comprehensive and systematic blueprint for a peaceful and prosperous world. Nevertheless, the various contributions fall into four main sections. Dr. Joad and Mrs. Wootton argue the general Federalist case; Mr. Wheare, Lord Lothian, Mr. Greaves and Professor Goodhart deal with the theory and practice of Federal Government; Professor Robbins, Mr. Bentwich, Lord Lugard, and Mr. Walker consider various aspects of the vital problem of Federal Powers; and finally Professor Catlin and Mr. Zilliacus put forward certain more specifically political proposals. Two omissions will be noticed. Firstly, among the papers dealing with Federal Powers, there is none which discusses the control of the armed forces of the Federation. This is because it proved impossible to discover a military expert who could speak with authority and who had the necessary leisure. Secondly, while the possibility of Anglo-American Union is discussed, Federalism in Europe has not been specifically considered. This is the less regrettable because any attempt to proceed from the general to the particular would involve assumptions about the unpredictable. We do not yet know how the war will end,

what will be the social and political structure of many of the United Nations, or to what extent Russia intends to participate in the organisation of European affairs. In these circumstances the production of detailed blueprints of a Federal Europe would seem to be an unreal and unscientific occupation.

But while the greater part of this volume is concerned with the technique of Federal government rather than with the more exciting game of political speculation, one important assumption is made throughout. Federalism can only be applied over areas in which super-national government is both necessary and practicable, and is a supplement to rather than a substitute for a looser world-wide association of independent states. As Sir William Beveridge has said, "Federalism is a strong remedy for a virulent disease, not a healing lotion to be sprayed over the world". At the time when most of these papers were written, it was assumed that the area in which the strong remedy was most needed was that known roughly as Western Europe including Germany, with the possible addition of the U.S.A. and the British Dominions. Much has happened since then, and the European civil war has become a world-wide struggle. It may be that small

regional federations will be formed—indeed, there are already signs of such a development in the Balkans and in Central Europe; it may be that we should seek a union of democracies based on similarity of ideas rather than on geographical proximity; it may be that a Federation of Western Europe or indeed of the whole of Europe is, after all, a necessary condition of world peace. What is not in doubt is that wherever it is desired to create true international government and to abandon mere international collaboration, then it is to Federalism that the authors of the new system should turn in their search for a method of government that secures the essentials of national freedom and the conditions of international peace.

1943

PATRICK RANSOME

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# THE ENDING OF ARMAGEDDON

By THE MARQUESS OF LOTHIAN

## I

THE greatest disappointment from which mankind has suffered since the Great War has been the failure of the League of Nations. To 'the man in the street' the League symbolized the passionate desire for the ending of war and the establishment of lasting peace, liberty and prosperity for both individuals and nations. It was the hope that the last war would be a war to end war which nerved the courage and endurance of the great majority of men and women in the final stages of the great struggle.

That hope has for the moment been utterly dispelled. The era of local war, declared and undeclared, began again in 1931. We are in the midst of the greatest race in armaments ever known, which if it continues can only lead to universal bankruptcy. And everybody feels that another world war, fiercer and more ruthless than the last,

This article was written by Lord Lothian before his appointment as H.M. Ambassador to Washington in August 1939.

may break out at any time, either because it is deliberately provoked or because an accident or a fool may set in motion events which it is beyond the power of statesmanship to control.

All kinds of explanations are given for the failure of the League to fulfil the hopes which centred about it. Some attribute it to defects in the Treaties of Versailles, others to the fact that the League never won universal membership. Some lay the blame on the League Powers for not revising the Treaties of Peace justly and in time, others to their unreadiness, when revision by armed power began, to resist aggression unanimously and immediately with all their strength. Some say that the failure has been due to the unwillingness to disarm, others to delay and inadequacy of rearmament when power politics reappeared. Some attribute all our troubles to capitalism, others to the malignancy of the Dictators and their parties, others again to the treachery or blindness of democratic statesmen.

All these explanations and criticisms probably have some validity. But they none of them point to the real cause of the relapse into armaments and war. That cause does not lie primarily in defects on policy by any nation but in the system of international relationships in which we have

tried to live both before and after the World War. The real cause of our troubles is that the nations are living in anarchy—by far the most fatal of all political and social diseases—the consequences of which have been intensified a hundredfold in recent times by the conquest of time and space and the breakdown of the old Pax Britannica of the nineteenth century. The Covenant of the League of Nations disguises but does not end anarchy, because, while it is a contract to co-operate, it leaves intact the root of anarchy, national sovereignty. It has been sovereignty which at bottom has prevented a liberal and timely revision of out-of-date treaties, which has driven the nations to a disastrous degree of economic nationalism, which has prevented any effective system of collective security, and which has led to rearmament as the means to international change and to the return of the alliance system. Federal Unionists believe that only by dealing with this basic cause of anarchy, national sovereignty, will it be possible for the world to climb permanently out of its present distress. And they believe that anarchy cannot be ended by any system of co-operation between sovereign nations but only by the application of the principle of federal union. They therefore stand for the

adoption of that principle as the only one which can end competitive armaments and war and remove the economic causes of poverty and unemployment in the modern world.

Federal Unionists are not opposed to the League of Nations. On the contrary they share entirely the ideals for which it stands. Nor are they opposed to international co-operation. On the contrary they support it as a step in the right direction. In theory all the ideals of the League of Nations could have been accomplished by co-operation. But the reason why co-operation failed after 1918, as all earlier attempts to create an international co-operative system have failed, is precisely because they have left national sovereignty intact and because that element operates continuously and inexorably against the success of co-operation itself. That is why Federal Unionists are convinced that only by going a step beyond the Covenant and pooling some part of national sovereignty in a common organism which represents, not the national units or the governments, but the people of all the member nations as a whole, can the true ends of the League be attained.

## II

## THE CONSEQUENCES OF SOVEREIGNTY

War is inherent in the relations between sovereign states. For when agreement fails the only instrument by which the sovereign state can defend its existence and its rights or promote its ends, legitimate or illegitimate, is by a resort to force. This is equally true whether the nations endeavour to exist in isolation or unite in alliances or accept universal contractual obligations towards one another such as the Covenant of the League of Nations. Sovereignty implies that the only instrument which nations, in the last resort, can use to bring pressure on other sovereign nations is the violence of power politics or war.

A second consequence of this anarchy of sovereignties is that every state is inevitably driven to sacrifice the rights and independence of its own citizens in order to increase its own strength in the struggle for existence. We see this going on all about us to-day, notably in the demand for conscription for national defence. This will get worse until for the co-operation or anarchy of governments is substituted a federal union of the peoples. Leagues of governments are necessarily

concerned with making the world safe for national sovereignty and not either for democracy or the people.

A third consequence of sovereignty is its effect in producing poverty, unemployment, social frustration and despair. Sovereignty leads inevitably to economic nationalism, whereby each state tries to be self-supporting, promotes the interests of its own nationals regardless of the economic interests of other nations and erects ever-increasing interferences with international trade, migration and the movement of capital. These artificial barriers and subsidies progressively dislocate both national and world economy by over-developing the industrial production of every national area so that there is no balance between the production of food-stuffs, raw material and manufacturing power either in those national areas or in the world as a whole. Unemployment and poverty are the inevitable result. This is equally true whether nations maintain an individualist or a socialist economy. We are not concerned, as Federal Unionists, to take sides in this controversy. We are only concerned to make it clear that it is sovereignty which is the basic cause of our economic distresses and that so long as it exists it will be impossible either for capitalism or

socialism or for any variant of them, to work properly. Seventy socialist sovereign states would find it as difficult to live together in prosperity and peace as seventy capitalist sovereign states have done.

Even from the narrowly national point of view sovereignty is fatal to security, prosperity and peace. It leads to the frustration of every legitimate national purpose by diverting to armaments and non-productive activities resources which should be applied to national development and social reform.

Finally national sovereignty has been the hidden hand which has wrecked the League ideal. For national sovereignty implies that every nation sets its own interests first, and requires every individual to obey his own state and not the decisions of the League. The real reason why certain nations have never joined the League or have abandoned it, why nations have been half-hearted in living up to its obligations, why they have yielded without stint to economic nationalism, the most potent of post-war destroyers, and to rearmament, is that every nation puts national interests before the interests of other nations or of the world as a whole. They do not do this because they or their statesmen are wicked but

because sovereignty implies that they regard their own interests as paramount and because there is no organism which represents or can speak or act for humanity as a whole. Until there is an organism representative of all, which can limit armaments and economic nationalism and act for the benefit of all, every nation will remain bound to provide for its own security first, and that necessity compels it to put strategic and military considerations ahead of international justice and fair play. Anarchy necessarily dethrones moral principle in international affairs in favour of self-interest. It leads not less inexorably to imperialism. For it creates a constant temptation to powerful armed states to impose their will on their neighbours one by one until they reach a position of local or world domination in the name of peace. Indeed in an anarchy, imperialism, or the control of one race by another, either in a relatively benevolent or in a ruthless form, may be the only way in which the risk of war can be temporarily ended and peace attained, where federal union is out of reach.

Thus national sovereignty is the root cause of the most crying evils of our time and of the steady march of humanity back to tragic disaster and barbarism. It is a denial of the brotherhood of



man and of the principle that there ought to be one law or sovereignty, based on moral principle, uniting and governing the whole earth.

### III

#### FEDERAL UNION THE ONLY REMEDY

The only final remedy for this supreme and catastrophic evil of our time is a federal union of the peoples so that while every nation is completely self-governing in its own internal affairs all the people are united into a single commonwealth for their common affairs. The principal common affairs of this commonwealth of man would be order and defence, the regulation of international trade and migration, citizenship, currency, and some forms of debt and taxation, inter-state communications, and the administration of the common assets and responsibilities of the federal union.

It is for this principle that the movement known as Federal Union, which has parallel movements in other democracies, unequivocally stands. It is the only way in which the pacifist ideal can be realized in practice. It is the only way in which the artificial dislocation of trade and employment by economic nationalism can be ended, individual

and national liberty can be made secure, and war can be ended among men.

Federal Union, however, recognizes that the establishment of a world constitution, accomplishing these blessings, cannot be accomplished at a single step. The commencement of federal union and the creation of a nucleus of world government is only possible between nations who have a sufficient unity in spirit, civilization and institutions to enable them to begin to feel that they form a single community for certain purposes once the appropriate institutions exist. To force incompatibles into a union would risk substituting civil for international war. It considers, therefore, that the nucleus should consist of nations which accept the principle that government must be conducted with the consent of the governed, and who base their political life upon the freedom and responsibility of the individual. Any nation which accepted these principles and had demonstrated its capacity to apply them would be entitled to join.

This does not mean that such a federal union of free and responsible peoples should be opposed to any other nation or group of nations which preferred other systems. It would be willing to participate in any universal system of co-operation

like the League of Nations, especially if it was equipped with machinery enabling it to limit economic nationalism and for equalizing economic opportunity and the standard of living among all nations. But federalism being the only true method of ending international anarchy nations should not refrain from federal union just because others were not ready for it. Successful federalism must rest upon the acceptance of certain common principles, and free institutions seem to be the only basis for a federal community of nations.

#### IV

##### THE FEDERAL CONSTITUTION

It is doubtful if it is possible to foresee to-day what a federal union of nations will be like. The form of these great historic constructions emerges red-hot from events rather than from the academic drawing-board. The real task is to develop a sense of community and common patriotism among nations, rising above but in no way undermining the difference and independence of nationality itself—the strongest and within limits the most creative force in the modern world—and to discover the institutions which will give full play both to national and to world commonwealth patriotism.

The nature of the problem can, perhaps, best be seen by a brief historical retrospect. Greek civilization was developed mainly in the city states of Greece. But the Greeks could not rise above a city patriotism and the Athenians, who thought that public affairs should be directly controlled by all the citizens, did not believe that a democratic community could be larger than the number of free citizens who could hear the voice of a single orator. Because Greece was unable to evolve a national patriotism or the representative institutions appropriate to it, it was in due time overwhelmed by the totalitarian state of Macedon. The concept of law triumphant over arbitrary will was developed in the semi-democratic republic of Rome and gradually grew into the majestic Empire of Rome—whose strength lay precisely in its organization of the universal reign of law. But the Romans also seemed unable to conceive of the representative system, and the earlier democratic elements in their system withered away under the Empire, until the vitality of the heart was eaten away and the Roman system was destroyed by barbarian invasion from without and petrification and new non-political movements within. The missing representative principle was developed under the Plantagenets

in England and made possible that combination of the reign of law with the principle that government must be with the consent of the governed, which is the foundation of the Parliamentary system and made possible democracy on a national scale. The Americans, confronted with the problem of uniting states which, in separating from Great Britain, had already established their own sovereignty, discovered the federal principle whereby the powers and functions of government were divided between states and commonwealth. This discovery made possible the development of a system of federal union which combined complete state autonomy with democratically controlled reign of law on a continental scale.

The task to-day is to create a constitutional construction which represents a step beyond the present federations of states or provinces, to bring into being a federal union of nations which will give free play to national differences and feelings and at the same time organically unite all their inhabitants under a constitutional law which itself will end war, preserve liberty and make prosperity secure. The essence of federal union is to unite the peoples under a government of laws and principle rather than of men. The exact nature of that constitution it is impossible to anticipate.

It will spring from the compulsion of events. But that we are being driven toward the federal solution seems clear from the fact that if the present crisis passes away and an attempt is made to resuscitate an effective League of Nations, it will be necessary to endow this League with two powers not now included in the Covenant, if it is to be able to achieve its true ideal. The first is the power to limit the economic nationalism of its members. The second is the power to limit their armaments. Yet if any League is to do these things, both of which are essential to lasting prosperity and peace, it will have to base itself not on the co-operative but on the organic or federal principle. Finally, language need be no insuperable difficulty, because while every member nation will have the right to its language, all can agree to learn the same second language.

If this federal principle be the only one which can solve the urgent and tragic problems of our age there remains the vital question of time. No doubt the best answer to the problems which immediately confront us, and the best way of averting world war, of preventing the further successful aggression by the totalitarian states on the democracies, of restoring individual and national liberty, and of promoting a quick return to

prosperity, would be a federal union of the democracies now. No one can say when events may not force this method of ending anarchy into the foreground of practical politics. Nobody dreamt of a League of Nations in 1914. Nobody dreamt of a Soviet Union, of Fascism, of National Socialism in that year. So now, events may move far more rapidly than any of us can now conceive. They have moved in the last few months with incredible speed. The great value of Streit's book and of other works on the subject of federal union is that when the next crisis in world government occurs public opinion will have before it an unanswerable analysis of the fundamental cause of its troubles and a clear indication of the basic principle on which alone enduring peace, liberty and prosperity can be built.





# WHAT FEDERAL GOVERNMENT IS

By K. C. WHEARE

## I

FEDERAL GOVERNMENT is a thing of which most people in the United Kingdom of Great Britain and Northern Ireland have had no direct, personal experience, and they find it hard, therefore, to understand what it is. Moreover when they do encounter it from time to time in the newspapers, they find it equally hard to understand what it is for and why such a thing as a federal system of government ever came to be invented. For when the federal system of the United States or of Canada or of Australia is in the news, it is usually because some important legislation duly passed either by the national legislature of the country or by the legislature of some part of it has been declared invalid by the supreme judicial authority for the federation. People in this country are not used to a system of this kind. They are accustomed to a form of government one of the leading characteristics of which is that one single legislature, the King-in-Parliament at Westminster, has authority to make laws for

the whole of the United Kingdom on all matters whatsoever; and these laws duly made prevail over rules made by any other body in the Kingdom and are accepted by the courts as valid law and supreme law. The result is that people in this country may doubt whether acts of parliament are good laws, but they cannot doubt that they are good law. In a federation it is otherwise. There, it is possible to doubt not only whether the acts of some legislature in the federation are good laws but also whether they are good law, and it is possible for a court to declare acts which are almost universally recognised as good laws to be bad law and no law at all. This intentional obstruction, in a federation, of the will of the elected representatives of the people as expressed in acts of the legislature, appears to us to be a strange device. Why do people adopt such a form of government, and why do they continue to put up with it?

There is one community in the United Kingdom which will find it easier than others to understand what federal government is like and what it is for, and that is the people of Northern Ireland. For the inhabitants of Northern Ireland have this in common with the inhabitants of a federation, that their lives are regulated not by one parliament

only, but by two parliaments. People in the rest of the United Kingdom—England, Scotland and Wales—are regulated by one parliament only, the Parliament at Westminster, which has authority to deal with all their affairs. Northern Ireland shares this Parliament at Westminster with the rest of the United Kingdom for the regulation of certain reserved subjects, for example defence, foreign relations, aerial navigation, external trade, aliens and naturalisation, coinage, copyright, the succession to the throne, and merchant shipping—all clearly subjects of common concern to the whole United Kingdom. For the regulation of all other matters the people of Northern Ireland have a parliament of their own at Stormont near Belfast, and they are free to make laws through it for the peace, order and good government of Northern Ireland. The object of this system is clearly that matters primarily affecting Northern Ireland should be regulated in Northern Ireland and by Northern Ireland, while matters affecting Northern Ireland and the rest of the United Kingdom in common should be regulated by a parliament at Westminster in which Northern Ireland is enabled to co-operate through her representatives with the representatives of the other parts of the United Kingdom.

## II

## WHAT FEDERAL GOVERNMENT IS NOT

But this is not federal government. It possesses some of the characteristics of federal government but not all of them. There is a division of governmental functions in the United Kingdom between a legislature which has authority in certain matters for the whole Kingdom and a legislature which has authority in other matters for a part of the Kingdom. This division of functions between such legislatures is a characteristic of federal government. A mere division of functions, however, is not enough to constitute federalism. The division must be made in a particular way, and in the United Kingdom it is not made in that particular way. The Parliament at Stormont derives its powers from the Parliament at Westminster and its powers may be increased or diminished or abolished altogether by the Parliament at Westminster. Moreover, although the Parliament of Northern Ireland is forbidden to make laws on certain subjects which have been reserved for legislation by the Parliament of the United Kingdom, this latter parliament itself is in no way restricted to this reserved field alone.

It may make laws upon any matter whatsoever affecting Northern Ireland, and if its acts conflict with acts which the Parliament of Northern Ireland has passed on any subject, the acts of the Parliament of the United Kingdom prevail. There has been no alteration in the principle that the Parliament of the United Kingdom may make laws on any matter whatsoever for the whole of the Kingdom. All that has happened in the case of Northern Ireland is that the Parliament of the United Kingdom has marked out a certain sphere in which it has authorised the Parliament of Northern Ireland also to legislate, and another sphere in which the Parliament of Northern Ireland is not authorised to legislate, and which comes under the exclusive control of the Parliament of the United Kingdom. It implies by this division that it does not intend as a general rule to invade the sphere it has conferred on the Parliament of Northern Ireland, though it has legal power to do so, and that it will confine itself to the reserved field. The essence of this system then is that the Parliament of Northern Ireland is subordinate to the Parliament of the United Kingdom, deriving its powers from this latter parliament, holding them at its pleasure and exercising them through its forbearance.

Acts of the Parliament of Northern Ireland if they transgress the sphere allotted to it are invalid; acts of the Parliament of the United Kingdom on any matter whatsoever are valid and prevail. This is not federalism, it is devolution.

✓ If the name 'federal' cannot be applied to a system where the governments of the component parts of a territory are, on the model of Northern Ireland, subordinate to the government of the whole territory, equally it cannot be applied to a system where the government of the whole territory is subordinate to the governments of the component parts. A system of this latter kind—which is sometimes called a confederation or a league—was tried by the thirteen American colonies before they adopted their present system in the Constitution of 1787. Ten years earlier they had drawn up Articles of Confederation in virtue of which they established a Congress of the United States with sole and exclusive right of determining on peace and war, entering into treaties and alliances, regulating coinage, establishing and regulating post-offices from one state to another, and regulating the land and naval forces in the service of the United States. But this Congress was composed of delegates from each of the States; its decisions on most of the important

matters committed to it required the assent of nine States if they were to be effective; and it had no power of taxing to raise revenue for the performance of its services. The government of the United States thus established was clearly not a separate government, supreme in its own allotted sphere, but a government subordinate to the State governments, a minority of whom could prevent the Congress of the United States from taking action of which they disapproved and each one of which retained in its own hands, through its exclusive power to tax, the power to nullify the decisions of the Congress by failing to raise the necessary revenue for their execution. This, again, is not federalism.

### III

#### WHAT FEDERAL GOVERNMENT IS

What then is federalism? Its essence consists, I think, in this: that in a federal system, the functions of government are divided in such a way that the relationship between the legislature which has authority over the whole territory and those legislatures which have authority over parts of the territory is not the relationship of superior to subordinates as is the relation of the Parliament at Westminster to the Parliament at Stormont,

but is the relationship of co-ordinate partners in the governmental process. (In a federal government there is a division of governmental functions between one authority, usually called the federal government, which has power to regulate certain matters for the whole territory, and a collection of authorities, usually called state governments, which have power to regulate certain other matters for the component parts of the territory.) This division, as has been said, is made in a particular way. First, the actual allocation of functions between federal and state governments cannot be altered either by the federal government acting alone or by the state governments acting alone and, secondly, the exercise by the federal government of its allotted functions cannot be controlled by the state governments or vice versa. (Federal government means therefore a division of functions between co-ordinate authorities, authorities which are in no way subordinate one to another either in the extent or in the exercise of their allotted functions. )

#### IV

#### WHAT FEDERAL GOVERNMENT IS FOR

If this is what federal government is, what is it for? Why is it adopted? Why are people not



satisfied with devolution? A short answer to these questions may be given in this way. If all that people want is the power to regulate local affairs locally as a general rule, and if they are prepared at the same time to leave to a national parliament not only the power to regulate national affairs but also a power to regulate local affairs too if it thinks fit, that is, a potential supremacy over all matters whatsoever in the territory, then a system of devolution will do. This system was considered appropriate to the needs of Northern Ireland. It was adopted also in the Union of South Africa. Here each of the four provinces of the Union has a provincial council which has power to make ordinances on matters which have been allotted to it by the Constitution. Among the matters so allotted were elementary education, agriculture, hospitals, local authorities, roads and bridges, and direct taxation for provincial purposes. In this way there is a local control of local affairs. But all provincial ordinances require the assent of the Governor-General of the Union, that is of the Union Government. Moreover the Union Parliament retains power not only to legislate on matters of importance to the whole Union, but also to invade the spheres allotted to the provincial councils in the Constitution, and

to override or nullify provincial ordinances. This system is appropriate so long as the provinces of the Union do not desire to have an absolute, guaranteed, exclusive control of certain matters. If they do desire this more rigid division of functions, then federalism, not devolution, is the appropriate system of government. (Therefore it is only when a group of territorial communities are prepared to co-operate with each other for the regulation of certain matters but for those matters only, and when they are determined at the same time to remain separate and supreme, each in its own territory, for the regulation of other matters, that federal government is appropriate. Federalism provides for this desire for co-operation in some things coupled with a determination to be separate in others. It was because the American colonies had this attitude to each other that they formed the federation of the United States of America, enumerating in their constitution the matters which they handed over to the federal congress for regulation—foreign commerce, inter-state commerce, coinage, naturalisation, post office, copyright, defence, and so on. The list of federal subjects is very like the list of subjects reserved for regulation by the Parliament of the United Kingdom in respect of

Northern Ireland, but the relationship of the federal congress to a state legislature in the United States is very different from that of the Parliament of the United Kingdom to the Parliament of Northern Ireland. The United States Congress cannot legislate on any subjects outside those allotted to it in the Constitution, and cannot therefore invade the spheres of the States; whereas the Parliament of the United Kingdom, as has been mentioned already, is not confined to these reserved subjects but may legislate on any matter whatsoever for Northern Ireland. Similar arrangements were made in Australia and Canada in order to provide for the desire of the colonies there to co-operate in some matters and to retain a power of separate regulation over other matters.

## V

### WHAT FEDERAL GOVERNMENT IS LIKE

I have attempted to explain what federal government is and what it is for. It may next be asked: What is it like? Is the governmental machinery in a federation arranged in any special way? Are there any essential, distinguishing marks in the institutions of a federal government? There are, and two or three of them may be mentioned.

First of all, since federal government involves a division of functions and since the states forming the federation are anxious that this division should be explicit and guaranteed and that they should not surrender more powers than they know, (it is essential for a federal government that there be a written constitution embodying the division of powers, and binding all governmental authorities throughout the federation.) From it all state and federal authorities derive their powers and any actions they perform contrary to it are invalid. It must be the supreme law of the land.)

Thus it is that the United States, Australia, Canada and Switzerland all have their written constitutions in which can be found inscribed the limits of the powers allotted to federal and state or provincial or cantonal governments respectively. The Constitution of the United States, indeed, expressly declares itself to be 'the supreme law of the land; and the judges in every State shall be bound thereby, anything in the Constitution or laws of any State to the contrary notwithstanding.'

In the second place, if the division of powers is to be guaranteed and if the constitution embodying the division is to be binding upon federal and state governments alike, it follows that the

power of amending that part of the constitution which embodies the division of powers must not be conferred either upon the federal government acting alone or upon the state governments acting alone. It is preferable, though not essential to federalism, that the power should be exercised by the federal and state authorities acting in co-operation, as is done in the United States, for example, where amendments may be carried by a two-thirds majority, in both houses of Congress, together with a simple majority in the legislatures of three-quarters of the States. In Australia and in Switzerland the people are associated in the amending process through a referendum. Or the power of amendment may be vested in an outside authority, as in the case of Canada, whose constitution can be amended only by the Parliament of the United Kingdom. But whatever arrangement is made, the essential thing is that neither the federal government nor the state governments should be authorised to alter unilaterally the extent of the powers which they exercise, for if they can do this, federalism is modified.

Again, if there must be a division of powers and if this division must be inscribed in a constitution and if this inscribed division must be

guaranteed, it follows that in any case of dispute between federal and state governments as to the extent of the powers allocated to them under the constitution, some body other than the federal and state governments must be authorised to adjudicate upon those disputes. It is not accidental, therefore, that there exists in the United States, Australia and Canada a body of this kind. The United States has its Supreme Court; Australia has a High Court together with, for some cases, the Judicial Committee of the Privy Council; and Canada has the Judicial Committee of the Privy Council. Switzerland has no institution performing this function completely and is to this extent imperfectly federal.

These disputes about the limits of state and federal power are common in a federation, and they keep lawyers busy. Indeed, it may be said that federalism could not well live without lawyers; nor perhaps would lawyers live so well without federalism.

Finally, if the governmental authorities in a federation are to be really co-ordinate with each other in actual practice as well as in law, it is essential that there should be available to each of them, under its own unfettered control, financial resources sufficient for the performance

of the functions assigned to it under the constitution. It is no good allotting functions to the federal or to state authorities and devising legal safeguards so that each should be limited strictly to the performance of its respective functions, unless at the same time adequate provision has been made so that each authority can afford to do its job without appealing to the other for financial assistance. For if state authorities, for example, find that the services allotted to them are too expensive for them to perform, and if they call upon the federal authority for grants and subsidies to assist them, they are no longer co-ordinate with the federal government but subordinate to it. Financial subordination makes an end of federalism in fact, no matter how carefully the legal forms may be preserved. It follows therefore that both state and federal authorities in a federation must be given the power in the constitution each to have access to, and to control, its own sufficient financial resources. Each must have a power to tax and to borrow for the financing of its own services by itself. It is not easy to devise a division of financial and taxing powers at the outset of a federation which will infallibly satisfy this criterion. It is likely that no reliable forecast can be made of the cost

of the services allotted to the respective authorities or of the yield which the allotted taxing powers will give. Experience may show that some modification of the division of services and resources is necessary. This must be expected and provided for. If not, the system of federal government will soon break down in practice.

These four things—a supreme written constitution, an amending process which cannot be operated either by the federal government or by the state governments acting alone, a supreme court which determines the meaning of the constitution in case of dispute, and financial self-sufficiency for each of the co-ordinate authorities—seem to be some of the essential features of a federal system of government. There are other features which some or all federal states possess—for example, equal representation for each component state in the upper house of the federal legislature, as in Australia, Switzerland or the United States; or separation of the persons composing the legislature, executive and judiciary, as in the United States. These may be conducive to the good working of a particular federal government. But they are not essential consequences of its being federal. They can be omitted from a constitution and that constitution can still be federal.



## VI

## FEDERAL GOVERNMENT MAY BE MODIFIED

The tone of this pamphlet is dogmatic. I have put forward uncompromisingly a criterion of federal government—the delimited and co-ordinate division of governmental functions—and I have implied that to the extent to which any system of government does not conform to this criterion it has no claim to call itself federal. This is my view. But I should say at once that it is not a view which would be accepted in its entirety by all students of political institutions. Many of them would regard it as excessively rigid. In extenuation of my dogmatism in defining federalism, I think it important to say just this. I must not be understood to argue that because a state cannot claim to be an orthodox federal state, it is therefore damned politically. Federal government, pure and unadulterated, is not necessarily everywhere and always good government. Some modifications upon the completely delimited and co-ordinate division of functions characteristic of federalism may be essential if good government or efficient, decisive government shall be achieved in a given community. It may be wisest for a group of

states in devising a system of government for themselves to adopt strict federalism in some matters and a modified federalism or no federalism at all in other matters. ✓Federalism is not an end in itself. It is a means to providing a system of government in circumstances where people are prepared to give up only certain limited powers and wish to retain other limited powers, both sets of powers to be exercised by co-ordinate authorities. Wherever this condition does not exist, federalism is not necessary. ~

An examination of governments which are usually called federations reveals the fact that few of them are completely federal. In most of them modifications of strict federalism have been introduced, and, in the present writer's view, they are not necessarily the worse for that. Canada is the best example. ✓The federal government in Canada is given certain powers in the constitution to control the exercise by the provincial governments of the powers allotted to them. The federal government appoints and may dismiss the lieutenant-governor of a province, the nominal head of the provincial government; it may instruct a lieutenant-governor to withhold his assent from a bill duly passed by the provincial legislature and reserve it for the signification of

the pleasure of the Governor-General of Canada, the head of the federal government, who acts on the advice of federal ministers; and it may disallow any act of a provincial legislature even after it has been duly passed by the legislature and assented to by the lieutenant-governor. These powers are by no means a dead letter. They have been exercised in recent years to nullify some of the legislation passed by the Social Credit Government in the Province of Alberta, of whose policies the federal government of Canada did not approve. As a result of these provisions the provincial governments in Canada when carrying out the legislative process on those subjects allocated to them under the Canadian Constitution are clearly subordinate to, not co-ordinate with, the federal government, and to this extent federalism is modified. The modifications might be justified on the ground that they bring uniformity and unity where both may be needed and that they counteract an excessive separatism, always inherent in federalism, which may imperil the integrity of the federation.

Another example of a modification in strict federalism is found in the provision in some federal states that power to legislate on many important subjects is not given exclusively to

the federal authority or to the state authorities but is conferred on both alike, with a provision that in case of conflict the legislation of one authority—usually the federal legislature—should prevail over that of the other. This happens in Australia and the United States, for example, and to a less extent in Canada. In Australia and the United States most of the subjects which are given to the federal legislature are subjects upon which state legislatures also may legislate unless and until federal legislation is passed upon them, whereupon state legislation must give way to federal legislation in so far as it conflicts with it. This power of concurrent legislation is considered by many to be contrary to the strict doctrine of federalism, but it is obvious that it may none the less introduce into government a flexibility and a variety and a possibility of experiment which is valuable and in some cases indispensable. It cannot be emphasised too strongly that even if federalism must necessarily be defined dogmatically, it need not necessarily be followed religiously.

## VII

It has usually been hard to establish a federal government. The forces of separatism and in-

dividualism which make federalism necessary make any super-state government at all almost impossible. And when a federation has with difficulty come to exist, it is only with difficulty that it continues to exist. Its operation requires great skill and tact. Its success depends upon an enormous patience and an enormous capacity for compromise among the statesmen who work it. Swift and decisive government is impossible. Deep dividing issues must be avoided. Changes can come about only at the pace of the slowest. Federal government is conservative government. Federal government is above all legalistic. It is created and regulated by a legal document; it is safeguarded by a court of law. ✓

Compromise, conservatism, and legalism—these are at once the virtues and the vices of federal government. It is wise to recall them when one proposes to set up a new federal government in the world. Those who do propose such a federal government, however, may feel inclined to say to me at this point: The difficulties you have been talking about seem to us to be much less urgent and more remote. Our greatest difficulties come not from those who prefer a unitary government for Europe to a federal government for Europe, but from those who do not believe

that any form of *government*, strictly so called, for Europe is possible or desirable. The real obstacle for us is the supporter of the sovereign, independent state and not the supporter of the unitary state.

That is true. It is also true that they must expect, when they overcome the objections of those who believe in the sovereign, independent state, to meet thereafter the objections of those who, used to the simple certainties of unitary government, declare that they do not believe in federalism. It has seemed wise therefore to recall that federalism is a form of government which is not always appropriate or always easy to work. It is fair to recall at the same time that federal government is at least government; it is order, not anarchy, it is peace, not war.

# THE PHILOSOPHY OF FEDERAL UNION

*By* C. E. M. JOAD

## INTRODUCTION

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THE proposal of the movement known as Federal Union is that a number of different peoples should form a common government which will in certain respects supersede the existing national governments of those peoples. The proposal involves, therefore, some curtailment of the functions of existing national States. The functions of States may be conveniently divided into two categories. In respect of the first—education, health, housing, the penal code and the laws relating to marriage are examples—the State's actions affect only its own members; in respect of the second, exemplified by foreign policy, armaments, trade and movements of population, they affect the members of other States. It is the functions falling within this second category that Federal Union proposes to transfer to a common government composed of representatives directly elected by the peoples which enter into union. The representatives, it

should be noted, will be elected by the peoples, not appointed by their governments. In this respect also, powers at present vested in national governments would be superseded and the functions of governments transferred. The philosophy of Federal Union is concerned very largely with the question, are such supersession of powers and transfer of functions either possible or desirable?

It will be convenient to begin the consideration of this question with the examination of a philosophy which is hostile to Federal Union in the sense that, if it is true, any proposal for Federation must be dismissed in advance as both impracticable and undesirable. This is the philosophy which is embraced by the governments of the great majority of European States and I shall call it for short the Fascist Philosophy of the State. To refute it is, therefore, for the Federalist a matter of primary importance. Moreover, in the course of the refutation the contrary presuppositions of the philosophy which underlies Federalism will be thrown into relief.



## I

## CRITICISM OF CURRENT PHILOSOPHIES

## THE FASCIST PHILOSOPHY OF THE STATE

*A. Statement. That the State is an Ultimate Form of Human Organization.*

The philosophy which it is proposed to consider is a philosophy of the nature of the State. It involves two distinct but related assertions. First, an assertion as to fact, that the State is an ultimate form of human organization and cannot, therefore, in respect of any of its functions be superseded; the second, an assertion as to value, that the State possesses the kind of being which belongs to a person, and that the personality of the State is ethically more admirable than that of the human persons who compose it. If this is so, any attempt to supersede the State is ethically undesirable.

*Man's Debt to Society.*

The first assertion has a respectable foundation which was laid by the Greeks. Man, said Aristotle, is by nature a social and political animal; therefore, it is only in society that he can realize his nature and develop all that he has in him to

be. Conceive a hypothetical Robinson Crusoe born upon his island; conceive, in short, one who grows up with nobody to keep faith with and nobody to betray; nobody to tell the truth to and nobody to lie to; nobody to collaborate with and nobody to compete with; unversed in common work and common play; equally immune from the passions of love and hate; undisturbed by the solicitations of desire, and unresponsive to the call of duty; neither expressing opinions of his own nor receiving the opinions of others. Such a one, it is obvious, grows to maturity with potentialities unrealized and faculties undeveloped. In particular, his political and moral natures remain latent, unfertilized by the quickening contact of his fellow men. If we grant this, we must grant also that it is to contact with his fellows in society that a man owes the development of his nature. A man, then, is in debt to society, not merely for such obvious advantages as education and security against violence; he is in debt to it by reason of the fact that his relations with society enter into and pervade his being and make him what he is. This conclusion is often summarized by the assertion that it is only in society that a man can be free—free, that is to say, to develop to the full the powers and faculties of his nature.

*Introduction of the State.*

Now a society needs government and needs it for two reasons. First, man requires justice, and society must, therefore, develop some organization which administers justice; "man," as Aristotle put it, is "a State-needing animal" because "man needs justice and justice needs the State."

Secondly, he needs law. The need for law arises primarily in those spheres in respect of which, while it matters very little what people do, it matters very much that they should all do the same thing. Whether the rule of the road requires us to keep to the left or to the right is a matter of indifference; but it is essential that whichever side is in fact prescribed should be universally observed.

It follows that there must be in a society a body which is responsible for making and enforcing laws which ensure that everybody shall do the same thing in spheres in which uniformity of behaviour is essential. Justice and law may be taken as exemplifying the needs and purposes which all men have in common. Society requires, therefore, an organization which shall express the needs and further the purposes which all men have in common. Such an organization must, it is said, be the State which is representative of all

those people who live in a given territorial area. Now by the previous argument society and—we must now add—the State, which is the organ of society, mould and pervade the beings of their members. A society, therefore, can never be regarded merely as an aggregate of human beings. An example of an aggregate is a heap of stones, and nobody would contend that its membership of the heap determines the nature and pervades the being of each stone in the heap. If the relation of a State to its members is not that of a heap to its constituent stones, to what shall we liken it?

*The Body Politic and the Living Organism.*

It resembles the relation of the living human body to its constituent organs and cells. These not only have their place and part in the life of the body so that apart from it, divested of their relation to the other organs and cells, they would be literally different from what they are; they derive their life from the body and exist only to serve and minister to the well-being of the organism which gives them life. As the body pervades its cells, so the State pervades the consciousness of its citizens, determines their functions, forms their ideals, and makes them what they are.

Two conclusions follow. First, just as the

stomach and the lungs exist to serve the organism as a whole, possess no rights apart from it and have no purpose save to serve it, so the citizen can have no rights save such as are bestowed by, no purposes save such as are realized in, and no duties save such as are owed to the State.

Secondly, the State must be conceived after the model of an organism with a life of its own, a purpose of its own and rights of its own transcending those of its members. Now you cannot join one body to another or merge one organism in another; therefore, the State is an ultimate and final form of organism and cannot be superseded. To Mussolini shall fall the honour of summarizing the argument: "Man," he writes, "is only free in and through the whole; the whole can only be a sovereign State which tolerates no discussion and no control." Or, as Hitler puts it, "the dogma according to which the individual personality has a right to its liberty and to its dignity can bring nothing but destruction."

Finally, just as the whole body is more valuable than its members, so the State is more valuable than its citizens. The State, like the individual citizen, is a person; like him it possesses a will. But whereas the will of the person who is an individual is selfish and is concerned solely with the welfare of that person, the will of the person

which is the State is unselfish in the sense that it is concerned with the good of the whole. Therefore the wills of the individual citizens may be justifiably subordinated to that of the State.

Clearly, if Federal Union is to be adjudged either practicable or desirable, the arguments which I have briefly summarized must be answered and their conclusions rejected.

*B. Criticism. That the State is not an Ultimate Form of Human Organization and may be Superseded.*

*(a) Criticism of the Analogy between the Body Politic and the Living Organism.*

That man owes to society the fact that his nature is what it is may be conceded; we are not therefore entitled to conclude that the society in question is entitled to claim absolute rights over the lives and energies of its members. This conclusion rests, as we have seen, upon an assumed analogy between the body politic and the living organism. This analogy, however, is highly misleading. That the State is more like an organism than it is like a machine may be conceded; like an organism it grows from within instead of being constructed artificially from without. But it is not a living whole in the sense in which an

organism is a living whole and its relations to its members are different from those of a living body to its organs and cells. First, the organs of the human body have admittedly no rights of their own and no ends of their own. The individual members of the State have both individual rights and individual ends. Secondly, the organs of the human body have no purpose apart from the whole to whose well-being their sole function is to contribute, but society has no purpose save such as is realized in the lives of its members. Thirdly, the organs of the human body have no life outside the human body, but derive their *life from the body to which they belong*. In the case of a society the position is reversed; the members of a society can and do have a life apart from it, whereas society has no life apart from that of its members. Society, in fact, subsists in the wills, the desires, the sympathies and the thoughts of the men whom it knits together. It is constituted by comradeship in work, by fellowship in purpose and in hope, by general inheritance of thought; it is constituted, in other words, by a common life and by the social consciousness in and through which men become aware of the common life. Apart from these things, it is nothing.

Two conclusions follow : first, that the individual has rights other than those conferred upon him by and duties other than those which he owes to the State. (Many, for example, would hold that the individual is an immortal soul; if they are right, then he has a duty to his Maker which knows nothing of the State and a right to pursue salvation which he certainly does not derive from the State.)

Secondly, the reasons which have been given for thinking that the State is a final form of human organization because it is like a living organism are invalid.

But are there, perhaps, *other* reasons for thinking that the State is a final form of human organization? I wish to suggest that there are no such reasons; that, on the contrary, there are many reasons for supposing that the State will be superseded. These reasons fall into two classes.

(b) *That the State is a Transitional Form Evolved by a Process that Transcends it.*

The first set of reasons is suggested by biology. The process which we know as evolution advances by increasing the size, not of the cell or of the individual, but of the *unit of organization*. Evolution, in fact, is a process by which ever more



numerous and diverse units are integrated into ever richer and more comprehensive wholes. The earliest forms of life are unicellular. An advance takes place when numbers of unicellular units unite together to constitute an individual, who is a colony of cells. At an early stage in the evolution of vertebrate mammals, individual joins with individual to constitute a family. At an early stage in the evolution of human beings, family integrates with family to form a larger whole, the tribe; later tribe joins with tribe to constitute a whole yet larger, the department or province; later province with province to form the Nation-State. Thus in the history of England, the men of Dover are superseded by the men of Kent, the men of Kent by the men of East Anglia, the men of East Anglia by the men of Southern England, the men of Southern England by the men of England, the men of England by the inhabitants of the British Isles.

It is something of an historical accident that the tendency to larger integration characteristic of the evolutionary process has not already proceeded to its logical conclusion in the construction of a World-State. But always hitherto the factors which make for perpetuation of the unit of integration actually reached have proved too strong for the drive of evolution in the direction of this further

integration. For, whatever the unit which at any particular level of the evolutionary process happens to have been attained, whether family, tribe, or Nation-State, it becomes the focus of a number of influential human sentiments. Patriotism and enthusiasm are evoked on its behalf, self-sacrifice in its service, pugnacity in its defence, jealousy for its honour. These sentiments combine to resist its absorption into a larger unit, and such absorption has been achieved in the past only at an appalling price in terms of human suffering. Nevertheless, it cannot, I think, be reasonably doubted that a further stage of integration lies before mankind which is some form of World-State. The conclusion is that the State so far from being ultimate is only a particular form, one among many, of human organization that has, in the course of man's history, been evolved; that, like other forms of organization it is provisional; that, if the course of evolution continues, it will be superseded as surely as the canton, the province, and the department have been superseded, and that the only logical end of the evolution of human communities is a World-State. Federal Union, which is the first step beyond the Nation-State towards the World-State, is thus in the direct line of evolutionary advance.

(c) *That the State has become a Political Anachronism.*

The second set of reasons is derived from the changes in human environment which are the results of man's scientific inventiveness. The modern world—the statement is a commonplace—is already an economic unity. It is like a vast echoing chamber in which what happens anywhere produces reverberations everywhere. Thus a strike in an Indian jute mill diminishes the dividends of a Bournemouth *rentier*, and the waning of the Victorian taste for mahogany has brought poverty and disease to British Honduras. The chief factor in establishing this underlying structural unity is the abolition of distance. Our world is one in which it takes a shorter time to travel from London to New York than one hundred and fifty years ago it took to travel from York to London. Nor is this increase in the speed and range of the facilities for human intercourse likely to stop. We can to-day talk with one another from the ends of the earth; in a dozen years we shall see one another face to face; to-day we can fly in the air; to-morrow we shall fly in the stratosphere and so on.

The changes in the range and scale and pace of living resulting from the abolition of distance are

prodigious. Yet while the circumstances of our lives have changed beyond the imagination of our predecessors, our political structure has remained stationary. The horse and foot mode of travel is outmoded, yet we still live in horse and foot communities. The world is economically a single whole, yet politically it is based upon the assumption that it is a congeries of economically self-sufficient national units.

Across the surface of this world run the frontiers of the Nation-States. Many of these were fixed in the remote past; the most recent date for the most part from the eighteenth century. They represent a mode of living very different from that of to-day. When a man could travel for several days through the territory of a single State, State frontiers made some sort of sense; to-day, when he can fly in twenty-four hours across the boundaries of half a dozen States, they make nonsense.

*The State Struggles to Maintain its Integrity.*

In the new situation created by the abolition of distance, it is only by resorting to every kind of artificial device that the State can preserve its integrity, only by restricting and impeding the free flow of commodities and communications that it can succeed in holding up the manifest drive of the world towards unity. This is the

meaning of the tariffs and the quotas, the export and the import duties, the currency restrictions and customs and passports and all the other devices by means of which the State seeks to maintain its individuality intact and barricade itself against its neighbours. How else is it to resist the continuously increasing pressure from its neighbours? Yet none of these devices can indefinitely avail it. For, as the world shrinks, its member States will be jostled ever more closely together, until the pressure grows so severe that, unless they consent to soften the hard outlines of their separate individualities, they will grind one another to pieces. The world of to-day having grown a single body can no longer afford to be animated by a number of separate and antagonistic minds.

Concurrently with the shrinkage in the size of man's world has come the increase in his power. Human beings are enormously more destructive than they have been before; so much so that, unless they can learn to control the powers with which science has invested them, they may well destroy themselves altogether.

(d) *That the State is not Ethically more Admirable than the Individuals who compose it.*

If the State is not an ultimate form of human organization because it is like a living organism,

if its relation to its members is not, therefore, analogous to that of a body to its organs, there is no reason why we should deny to the individual rights underived from the State and purposes unconnected with the State.

Granted that the individual has purposes of his own which are not those of the State, we may proceed to ask how they compare ethically with those of the State? The theory that we have been considering maintains that the personality of the State is ethically more admirable and that the will of the State is more unselfish than are the personality and the will of the average individual. Are these assertions true? So far from being true they would appear to be the opposite of the truth.

*Man's Advances Due to the Individual, not the State.*

Every advance in the intellect, every improvement in the morals, every refinement of the taste, every increase in the knowledge of man has been due to the insight and effort of individuals. Original creation in art, original thinking in morals or politics, original research in science, are the products not of masses of men organized in communities, but of the minds of single men and women. In relation to this creative activity of the mind and the spirit of man, the State has manifested

itself chiefly in the rôle of opposer, objector and suppressor. While the genius in the sphere of art is usually permitted to starve in a garret, the genius in the sphere of morals or politics is persecuted and killed with the sanction of the law. An examination of the great legal trials of history from this point of view would make interesting reading. Socrates, Giordano Bruno, and Servetus were all tried and condemned for holding opinions, distasteful to persons in authority in their own day, for which the world now honours them.

*The Ends and Purposes of the State.*

Now let us contrast the purposes which are distinctively associated with States. They are aggression, economic advantage, territorial enlargement, power, prestige and pride of place. The State inherits "sacred rights"; it is the bearer of "historic missions"; it has a "right" to empire and a "duty" to expand. In pursuance of its legitimate rights and sacred duties it brooks no superior and cannot easily tolerate an equal. Holding itself immune from the canons of morality which are binding upon individuals, it openly identifies its might with its right. From these pretensions there arises its overwhelming concern with questions of prestige. Upon what, then, does

the prestige of the State depend? Upon its respect for truth? Upon its observance of its promises? Upon its humanity, its civility, its treatment of the weak and helpless? Not so. Prestige—the words are those of an English Prime Minister—depends upon whether a country has “behind it the strength to command respect and attention.” In other words, it depends upon the possession of high explosives and incendiary bombs and upon the willingness of its young men to use them for the destruction of the citizens of other States; it depends, in other words, upon a State’s power to blackmail other States into doing its will by virtue of its superior force. Not a very winsome ideal, this prestige, nor wholly consonant with the precepts of the Christian religion which most European States officially profess.

Where the ends of the State are bad, it is not to be supposed that the means by which they are pursued will be good; nor, in fact, are they. It is by force, by the threat of economic ruin, by the infliction of pain upon human beings belonging to other States that the State accomplishes its purposes.

*The Contrast between Man’s Behaviour as Servant of the State and as Individual.*

Now the instruments of which the State makes use in order to pursue its purposes and to impose



its will are its own citizens; are, therefore, human beings. Hence it is not surprising to find that the behaviour of men when they are employed on the business of the State is morally inferior to their behaviour when they are engaged on their own.

"When the safety of the State is at stake, no consideration of justice or injustice, of honour or dishonour, can find a place," wrote Machiavelli; "every scruple," he added, "must be set aside." "What scoundrels," exclaimed Cavour, towards the close of his career as a statesman of Italy, "we should be, if we did for ourselves what we do for Italy." Both Machiavelli and Cavour, if history is to be believed, led exemplary private lives.

It is the duty which the State imposes upon the soldier which throws into highest relief the contrast between the behaviour of the individual as individual and the behaviour of the same individual as instrument of the State. In the course of the war recently waged between Paraguay and Bolivia a section of the defeated Bolivian army retreated after a fierce battle into the jungle of Matto Grosso. The Paraguayans, knowing the jungle, knew also that the area to which the Bolivians had withdrawn was waterless. They accordingly formed a rescue party which set off at some risk into the jungle, discovered the

Bolivians in the last extremities of thirst, gave them water and brought them triumphantly back into safety. Seeking to kill, the Paraguayans were acting as the servants of the State ; seeking to save from death by thirst, they were acting as individuals.

Bearing in mind these and similar facts and reflecting upon the present condition of the civilized world, it is difficult to resist the temptation of asking who or what is the State, that it should presume to lay claim to superior virtue and arrogate to itself the right to demand in pursuit of its purposes sacrifices and service from the men and women who are its members.

*The Power of the State a Menace to Human Happiness.*

Reflecting upon the enormity of these claims, and bearing in mind the nature of the purposes in furtherance of which they are made, it is difficult to escape the conclusion that in the power of the State is to be found the peculiar and distinctive enemy of the happiness of contemporary man. For a generation it has darkened the horizon of men's lives and to-day drives them to their destruction. The Nation-State regards itself as sole arbiter of right and wrong, claims to be judge and jury in its own cause, acknowledges no law to govern its relations with

other States and no morality in restraint of its designs upon neighbours. Over the lives and liberties of its citizens it exercises an absolute control.

It tramples upon the liberties of individuals in order to establish its independence. While proclaiming its determination to be free, it deprives its citizens of their freedom; for when the State goes to war to preserve its independence, what man may call his soul his own?

It is the enemy of culture no less than of happiness, and that it may pursue its fancied interests, withholds from men the use of their own greatest gifts.

It is their idolatry of the State that makes men indifferent alike to human life and civilized values. For the State is the peculiar and distinctive idol of civilized man on whose altar he is ready to sacrifice happiness, liberty, and culture, to sacrifice, in a word, all that makes him civilized. Like the gods of old, this modern idol is jealous, vindictive and revengeful. It bears, indeed, a frightful resemblance to the Jehovah of the Old Testament, whom it has supplanted. Like Him it is extremely touchy on points of honour. When in the winter of 1939 Mr. Sumner Welles visited the French Ministry of Finance he was photographed with the Minister. It so happened that there was hanging upon the wall an old map

of Europe whose colouring had faded and which, in the course of spring-cleaning, was in process of being retouched by an artist. By an ill chance this map appeared in the background of the photograph and it was noticed that in retouching the frontiers the artist had apparently made a number of mistakes, redrawing them in such a way as to allocate to one Eastern European State portions of territory belonging to another. Immediately the photograph appeared, the States concerned were in an uproar. The French were accused of harbouring unspeakable designs; the redrawing of the frontiers was attributed to the Allies as a secret war aim, and a declaration of war from the State which conceived itself to be aggrieved was held to be imminent. Thus the unpremeditated slip of a non-political artist all but consigned to violent deaths thousands of young men living hundreds of miles away, willing sacrifices on the altars of the touchiness, the hypersensitive touchiness, of their idols.

I conclude that so far from it being undesirable for the State to be superseded because of its virtue, its supersession has become the crying need of our time because of its wickedness. It is the State's flagrant repudiation of the canons of morality, its open disavowal of the principles of the religion of civilized man, that has forced

Federal Unionists to recognise that unless and until its powers are vested in a common government and its actions brought within the bounds of a common law, there cannot again be peace or progress in the world.

*The Philosophy of Federal Union and of the League Contrasted.*

It is at this point that the philosophy of Federal Union departs most markedly from the philosophy of the League. At the end of the last war the necessity for putting an end to the international anarchy by subjecting the nations to the rule of law had become manifest. The League represented an attempt so to subject them. Yet in leaving the member States in full possession of their sovereign powers, it left them with the power to set aside its rulings. While co-operating in the deliberations and contributing to the decisions of the League, each State retained the right to withdraw from the deliberations and flout the decisions; it retained, in short, the right to do as it liked. Again, it was obvious by the end of the last war that some means must be found of pooling the authority and the forces of all in order to restrain the aggression of any. But how could authority be pooled where there

was no common institution to act as its repository? The League was not such a common institution, in fact it was not an institution at all. It was merely an assembly of independent units who, because they *were* independent, could flout its decisions so long as they chose to remain within it, and contract out of it when they chose no longer. The rule of law can only be established if States are deprived of the power to set aside the authority of law. Force can only cease to be a menace if it is removed from the control of national governments and used as the instrument of a common government by which the national governments are controlled. It is for this reason that Federal Union proposes to take away from States that power of controlling foreign policy and levying armaments by which the League was wrecked.

## II

### THE POSITIVE PHILOSOPHY OF FEDERAL UNION

The positive philosophy of Federal Union, starting from the pre-supposition that the State is an anachronism, puts forward a demand not only for a political, but also in part for an ethical and even a religious theory appropriate to the

circumstances of the time and the needs of the twentieth-century consciousness. It is precisely this demand which, it claims, the proposal to federate the peoples under a common government can help to satisfy.

*The Disparity between Science and Wisdom.*

Wherein is to be found the outstanding characteristic which is also the outstanding defect of our civilization? In the disparity between our powers and our wisdom, between our technical knowledge and our virtue, between our mastery of means and our ignorance of ends, between, in a word, our science on the one hand and our ethics and politics on the other. Science has given us powers fit for the gods and to their use we bring the mentality of the schoolboy or the savage. The aeroplane may stand as a symbol of the tragedy of our times. The knowledge of mathematics, of dynamics and mechanics, of electricity and internal combustion, the ingenuity in the application of this knowledge, the skill in the working of woods and metals, that have gone to the making of the aeroplane, are such as to suggest that its inventors were supermen. The intrepidity and resolution which were shown by the early flying men were the qualities of heroes;

but to reflect upon the purpose for which the aeroplane has been and seems increasingly likely to be used, to drop bombs that shatter and burn and poison and dismember defenceless people is to conclude that its agents are idiots or devils. It is difficult to improve on H. G. Wells's comment, "The superman made the aeroplane, and the ape in man has got hold of it."

The fundamental problem of our times is the problem of so increasing our wisdom and our virtue that we may become fitted to meet the challenge of our powers. How does the proposal to form a Federal Union bear upon the problem I have sought to state? In three ways: under the heading of increase in wisdom and virtue we must include men's ability as citizens to live together in communities (politics), their ability as individuals to conceive and to pursue the good life in this world (ethics) and—many would add—their ability to establish right relations with the next (religion). Our problem is, then, that of so organizing our lives, both as members of communities and as individuals, that we may reap the benefit of the new opportunities of living that science has won for us. I propose to indicate the contributions which, in my view, Federal Union has to make to the solution of this problem.



*A. Politics. The Need to Enlarge the Unit of Political Organization.*

Under the heading of politics little need be added to what has already been said. Science, as I have pointed out, has made the world into a single economic unity and brought within the reach of modern man a prosperity undreamed of by his predecessors. Looking back over the past history of man, one realizes what a meagre thing human life has been. Man's life has been at the mercy of forces which, so far from controlling, he could not even understand, forces of fire and flood, of storm and drought and earthquake. His communities have been swept by pestilence and famine; with the sweat of his brow he has wrung a bare living from nature. Most human beings who have ever lived have not known from what quarter their next meal would come, or whether it would come at all. Thanks to science, these external enemies to man's happiness have been largely overcome; thanks to science, there is no reason to-day why comfort and prosperity should not be brought within the reach of all, if men would only organize their communal life in such a way as to enable them to take advantage of their new opportunities. Why do they not? I

suggest that one of the reasons why they do not is because of the existence and the powers of the Nation-States whose boundaries run athwart the surface of this economically single world, and deny to men living in one part of the world unrestricted access to the raw materials and products of another. Thus the political problem of our time is so to enlarge the boundaries of the political unit as to adjust it to the reality of the underlying economic structure. This can be done only by substituting for national governments a common government based on federal principles. In other words, we must enlarge the area over which the unit of government runs so that it bears some relation to the area over which economic forces operate.

The need for this readjustment is urgent. As Marx pointed out, there is always a time lag before political organizations and the ideas which they embody adjust themselves to changes in the economic and technological framework of society. The need for this adjustment in political organization was never greater than to-day, and unless they can achieve it, the Nation-States, jostled into ever closer and more uncomfortable contact by the shrinkage of the world environment, will be destroyed, as surely as the Greek

City States, faced by a similar problem of adjustment which they failed to solve, were destroyed. This need is met by Federal Union.

*B. Ethics. The Soul of European Civilization.*

That man's control over his own nature has not increased commensurately with his control over external nature, and that improvement in the quality of his life has, as a result, failed to keep pace with the improvement in his opportunities for living, this—and much more in the same vein—is, I take it, generally agreed. Many would go further and affirm that in the last half century the degree of man's control over himself has definitely diminished. One who looks back from the world of 1940 to that of 1910 will find it difficult to gainsay this view. Men to-day are crueller, more predatory and more unprincipled; they have less consideration for justice, less compassion for the helpless, less tenderness and less tolerance than they had fifty years ago. What is the reason for this recession?

The structure of ethical principle which has determined the thinking and supported the conduct of Western Europeans for some two thousand years owned two main foundations, one in the Greek philosophers, the other in Christianity.

From the philosophers it derived its belief in justice and the ideal of the free mind; from Christianity, compassion and respect for the individual. These two sets of principles formed the basis of the liberalism which dominated the nineteenth century and led to the series of legislative enactments by which the lot of the common man has been progressively ameliorated. Together they shaped the soul of Western European civilization.

*Habit Takes the Place of Principle.*

Some fifty years ago, this foundational structure of European thought and conduct began to crumble, and in consequence, for fifty years past, the soul of European civilization has been dying. In the Western democracies which have hitherto escaped the fiercer storms and stresses of our times, the way of life which has been gradually built up during the last two thousand years still persists and, persisting, disguises the gradual erosion of the foundational principles on which it is based. In other words, we observe certain standards in our conduct, maintain a certain level of decency in our lives, extend a certain consideration to our neighbours, because, during hundreds of years of Christian living, we have gradually formed the habit of so doing. Now, as Plato

pointed out, lacking principle, it is nevertheless possible in quiet times to live decently by habit, and, so living, to maintain the external trappings of a civilized society. This is what has happened in the Western democracies; but in Central and Southern European communities which have been exposed to the full force of the past war storms, the breakdown of the structure of principle which we have inherited from Greece and Christianity was reflected in the conduct of men's lives, as in Germany and Italy it became increasingly manifest in the post-war years that men and women had neither a creed to live for nor principles to live by.

*The Search for a Creed and a Code.*

Now when once the lack is clearly realized, the lack of creed and principle is found to be intolerable. The human mind, said Pascal, naturally believes, the human will naturally loves, and in the absence of worthy objects will cleave to unworthy ones. The parable of the Seven Devils who entered the swept and garnished chamber illustrates the same truth, the truth that nature abhors a vacuum in the spiritual world no less than in the physical and that sooner or later substitutes will be found for the religious faith which has declined and the ethical principles that have

been jettisoned. Particularly intolerable is the absence of creed and code to the mind of the young. H. G. Wells has diagnosed in the inability of our civilization to find adequate outlets for the energy, adequate scope for the talents, and adequate objects for the aspiration of its young men and women at once its greatest defect and its greatest danger. In quiet times the defect and the danger escape notice. Thus in England we have observed only the wistful agnosticism of the generation of post-war youth, as they vainly sought in the doctrine of "Let us eat and drink for to-morrow we die," a satisfactory philosophy for the ordering of their lives, and noted the accumulating fund of unexpended seriousness by which they were ever more patently incommoded, as the search for pleasure produced its usual effects of frustration and disillusion.

*The Ethical Source of State Worship.*

But on the Continent the demand for a creed and a code which with us had remained unconscious, rose into consciousness, became insistent, and ultimately found satisfaction in the service of dictators and the worship of the State. Fascism is a growth with many roots: one, the least noticed, but not the least important, has been the spiritual

needs of young minds left unsatisfied by the decline of the traditional ethics and the traditional religion.

As I have already pointed out, every advance in moral and political insight has originated in individuals. A new philosophy cannot, then, it is obvious, be born of the State. Hence the only philosophy which the State can offer is the worship of itself, the only ethical ends that it can suggest are the ends appropriate to itself. The ends appropriate to the State are prestige, expansion and power over other States. Thus the growth in the sentiment of nationalism which is one of the distinctive features of our time and the spread of the philosophy of power in which it issues, are in part the results of the breakdown of the traditional structure of religion and ethics that has formed the beliefs and guided the conduct of Europeans during the last two thousand years. Here, then, is another example of the disparity to which I have already drawn attention. There has been a vast increase in human power and consequently a vast release of human energy, but there has been no proportionate increase in ethical insight. To make good the deficiency, men have embraced the worship of the State and the philosophy of militarism which combine to ensure that power shall be used in the most destructive way.

*Federal Union as an Ethical End.*

It is at this point that Federal Union offers itself as an alternative. I do not wish to suggest that, regarded as an ideal, it can fulfil all the ethical aspirations of modern man, but it does offer in the present anarchy of ethics a creed to live for and a principle to live by. The creed is the brotherhood of man; the principle, the supersession of the obsolete form of organization which impedes it. If I am right in the foregoing diagnosis of the causes of our ethical bankruptcy, this creed and the principle which it enshrines have a topical relevance, have, in fact, an urgency of a quite peculiar kind. For it is the worship of the State which, in the absence of such a creed, is accepted as its substitute, just as it is the power of the State resulting from such worship which threatens our civilization with destruction. Thus the ethics of Federal Union prescribe the duty of enlarging the sentiment of patriotism which now embraces the welfare only of those who are born within the same territorial area as oneself, to include within the scope of its concern the members of other States. For, once it be admitted that it can ever be the individual's duty to subordinate his interests to those of a larger whole and to sacrifice comfort and



happiness to the good of others, then there can be no logical reason for stopping short of mankind.

### *C. Religion.*

If Federal Union bears only distantly upon the problems of ethics, its connection with religion is, it is obvious, remote indeed. Yet on consideration such a connection may, I think, be said to exist. There is, I submit, no sphere in which the gulf between the quality of our technical accomplishment and the nature of the uses to which it is put is so marked as in that of religion, so marked that at times it seems as if man's sense of purpose and value in the world declines as his power over the world grows. The suggestion I want to make is that Federal Union is one of the bridges that may be thrown across the gulf.

### *That the Union must be Democratic.*

The connection between Federal Union and religion arises, I think, in this way. Federal Union may be advocated not only as a means of averting war, but as a means of preserving liberty. The modern State, as I have tried to show, is an enemy to liberty, and while continually asserting its independence, deprives its citizens of theirs, treating them not as ends in their own right, but as instruments to the ends which it imposes upon

them. With its prisons and concentration camps for the confinement of men's bodies, its censorship and laws against sedition for the stifling of their minds, the State impedes that development of the free personality which it exists to promote. Nor, while the State retains its powers, will the individual ever again enjoy the liberty to vote as he pleases, to speak and to write as he pleases, and to hear the words and to read the writings of others.

The need for Federal Union arises then in part from the modern State's restriction of the liberties which, during the last quarter of a century, we have come to take for granted. If this need is to be met, the Union must, it is obvious, be democratic. Now it has become open to serious question whether democracy can be maintained in the modern world, except it be regarded as a corollary of Christianity. When the foundation of ethical and religious principle of which I have already spoken began to crumble, one of the first and most noticeable effects was the destruction of democratic forms and individual liberties.

*Christianity a Presupposition of the Continuance of Democracy.*

It is, I think, no accident that the decline of Christianity should have coincided with a

monstrous invasion of the rights of man. Could the totalitarian regimes of Russia and Germany have successfully imposed their claims upon the bodies, minds and souls of their members save in the twilight of Christianity? Or is there, one wonders, ultimate justification for the repudiation of the tyranny which they exercise, except in the Christian valuation of man as an end in himself, possessing a soul, perhaps an immortal soul, with a right to freedom in this world and a chance of salvation in the next? For why, it may be asked, should *not* the State treat the individual as a mere cell in its own body corporate, as a drop of blood in an ocean of racial purity, as a cog in a proletarian machine, or indeed as anything and everything except an end in himself, unless there be a God in whose eyes all men are equal and whose law is mercy and justice? Democracy in the modern world cannot, in fact, resist the claims of totalitarianism by a vague and tepid belief in human rights and human decency; it can stand only if it is successful in strengthening that belief with the conviction that only religion can command, and with the enthusiasm which only religion can generate. It is because Communism and Nazism have come to take the place of religion in the minds of so many of their adherents that they

can command this conviction and enlist this enthusiasm. Democracy, if it is to survive, must draw upon a like energy and invoke a like enthusiasm. If the arguments put forward in this pamphlet are correct, it is only through the enlargement of the political unit of organization that democracy can be preserved. If this enlargement is to be effected and Federal Union to become a fact, it may well be that its advocates must turn to religion for the faith and the energy which alone can enable them to overcome the obstacles which bar the path. The connection, then, which I am suggesting, is reciprocal. Christianity can only survive in the modern world if it addresses itself to the problems of the day and shows how they can be solved consonantly with the maintenance of the Christian way of life. It must, in fact, be interpreted anew in the light of the existing situation. It may well be that Federal Union can only be achieved and the rights of the individual preserved, if the enthusiasm which religious faith can generate can be harnessed in its service.

# ECONOMIC ASPECTS OF FEDERATION

By LIONEL ROBBINS

## I

### INTRODUCTION

IT will be generally agreed that, in any project of federation or indeed of any form of close union of states, the provisions relating to economic affairs must have a critical importance. The existence of clashes of economic interest between independent sovereign states provides one of the most important reasons for the creation of wider organizations; and the acceptability of such organizations will depend, in large measure, upon their capacity to eliminate such disharmonies. It would be wrong to say that economic advantage was the *raison d'être* of union; the *raison d'être* of union is the preservation of justice and civilization; and justice and civilization involve much more than economic advantage. But it is none the less true that without a solid basis of harmonious economic relations, these values are likely to be jeopardized. It is no exaggeration to say that a federation will stand or fall by the adequacy of its economic constitution.

## II

## PRINCIPLES OF FEDERAL STRUCTURE

It is the object of this paper to examine some of the problems which arise in this connection. What should be the division of power between states and federation as regards inter-state migration and trade? What kind of monetary system is desirable in a federal union? What powers should be given to the federation as regards taxation and expenditure? To what extent will a federal system permit national differences of industrial structure? What should be its economic relations with other political units? These are questions which must be settled before any detailed draft of a federal constitution can be begun to be constructed; and they are the subject of investigation in what follows.

Before proceeding to discuss any particular question, however, it is desirable to be as clear as we can concerning the general nature of our objective. Our aim is to discover certain necessary principles of the constitution of a federation. We are not legislating for a unitary state or for an association of states retaining independent sovereignty. Can we find any working rules which will aid the realization of this aim?

Two such rules seem to follow from the nature of our general objective and to have particular importance in relation to the economic constitution:—

Firstly it is desirable to leave to the constituent states as much freedom as possible.

Secondly it is necessary to eliminate the possibility of those conflicts of sectional interest which, under independent national sovereignty, might be causes of international friction.

The rationale of these rules is obvious.

That the states should have as much freedom as possible follows clearly from our federal intentions. We are not creating a unitary state. We desire to preserve local initiative. The federation exists, not to enforce uniformity, but only to assume such functions as cannot be discharged by the constituent states without giving rise to disunity.

But at the same time we are creating a permanent political entity. The constituent states are surrendering their right to independent armaments. It is fundamental, therefore, that, within the federation, there should not persist the possibility of those sectional disadvantages against which independent armaments might be thought to have been some defence. It is fundamental that the federation should not come to be regarded as a trap and that surrender of the right of violent

resistance should not carry with it a stereotyping of unequal rights. Federation must not merely involve the surrender of the right to make war, it must involve also the elimination of those disabilities which make war appear to be worth while. It must not involve the reproach directed against the League of Nations that it was an apparatus for safeguarding the *status quo*; to the extent that state initiative involves the creation of unequal privileges, the federation must assume full powers.

If these considerations are correct, there follows immediately a conclusion of the utmost significance as regards the division of powers between the states and the federal authority. The powers of the states need not be laid down in advance; for only those powers whose exercise would be inimical to internal justice and plenty, will be denied them; in everything else they will be free. In contradistinction from local government authorities within a unitary state, which have initiative only within the limits delegated to them by the central authority, they will have initiative in every respect which is not explicitly surrendered to the federal authority. The powers of the federal government, however, must be expressly defined by statute and will consist chiefly in the discharge of those functions which cannot be



discharged by the states without giving rise to disunity. There must be certain additional powers of a more positive nature. But the essence of the federal function is the taking over of powers whose exercise by the states has been found to be productive of conflict. What these are, however, can best be discovered by the examination of particular functions.

### III

#### MIGRATION WITHIN THE FEDERATION

Let us start with the problem of inter-state migration.

Now here we have a case where the second of our general rules is particularly relevant. If the richer areas in the federation have the power to prevent migration from the poorer areas, they are clearly using the immunity from war conferred by the pooling of armaments to preserve for themselves a position of local privilege. This would be so whatever the industrial structure. If the inhabitants of a collectivist state, where the productivity of effort was high, were to close their borders to migration from collectivist states where the productivity of effort was low, the effect as regards inter-state relations would be no less fissiparous than the effect of similar restrictions

under capitalism.<sup>1</sup> The poorer peoples would feel that if the area of their state had been greater—if their *Lebensraum* had been more extensive—they would have been better off. If it were a question of entering a federation on these terms, they might well feel that they would do better to remain outside. Somehow, some day, they might hope, there might arise the opportunity of a combination of powers which would bring about the redistribution they desired. These are not considerations which usually present themselves with especial force to Englishmen, who, in the twentieth century at least, are not conscious of any particular lack of living space and whose motives for going to war are consequently more likely to be a wish to defend their existing territories rather than any wish to enlarge them. But it is notorious that it is otherwise elsewhere.

It is sometimes thought that this difficulty could be surmounted by some preliminary redistribution of territories. If there could take place some readjustment of boundaries which would remedy the disparity of *Lebensraum*, then the constituent states might be permitted to retain their right to regulate entry into their areas and the vexed

<sup>1</sup> There is indeed some reason to suppose that it would be more so. For an extensive discussion of this point see my *Economic Causes of War*, pp. 94-98.

question of migration would be settled. Let the richer states consecrate the formation of federation by a gesture of altruism appropriate to the occasion and all will then go happily.

Unfortunately such suggestions rest upon a total failure to perceive the essentially dynamic nature of the *Lebensraum* problem. We need not pause to enquire into the prospects of such a gesture; for, even if it took place, it would be no solution of the problem. The advantages of position and area are necessarily continually changing; the conditions of supply and demand which determine the height of real incomes obtainable by the inhabitants of any particular region, shift from year to year; and a settlement which secured rough equality of opportunity at one time, might involve gross inequality at another time. If Great Britain were divided into half a dozen sovereign states with rights of limitation of migration, fifty or a hundred years ago it would have been those states containing export coal fields which would have had to be classified among the "haves", southern England among the "have-nots"; a limitation of migration into South Wales or the manufacturing districts of the north would have been felt as a severe disability elsewhere. In the period before the present war, however, these roles would

have been reversed. Those states containing the depressed areas would have been the "have-nots"; a limitation of migration south would have involved disabilities on the citizens elsewhere. Surely it would not be thought to be a sensible solution of this kind of problem that there should be alterations of administrative areas every time there occurred important relative shifts in the values of the products of the inhabitants of the different constituent states. Quite apart from its political impracticability, it would be a grotesquely cumbersome solution of a problem whose natural solution would be some shifting of population.

But what does this imply for our federal constitution? Does it imply that there should be written into it provisions securing complete freedom of movement? Must *laissez passer* be the inviolable rule?

At first sight this might seem to follow. And indeed it is difficult to believe that very much harm would be done if liberty to go where one will were to be made a fundamental right of the federal citizen. For, if we survey the various arguments which are commonly advanced against freedom of movement, it is difficult to find many which are not either pure nonsense or pure selfishness. It is not easy to think of cases where

the establishment of free migration would be any but an advantage to the majority of the citizens.

Nevertheless it is undesirable to commit the constitution once and for all to any particular policy other than that of securing the safety and solidarity of the federation. And if it were found that very rapid shifts of population from one part to another were productive of intolerable strain, it is conceivable that some regulation of the rate of flow might be thought to be desirable.<sup>1</sup> Hence the right policy seems to be to secure, *not that no regulation should be allowed, but that what regulation there is should be a federal and not a state function.* This is the fundamental point. If the right of restricting migration is left to the constituent states, it is nearly certain that it will be exercised by some so as to leave the others with a sense of grievance. If it is left to be decided by a conference of the states in their sovereign capacity there seems little prospect of harmonious conclusion. But if it is in the hands of the federation, then, if it is decided to exercise it, it will be decided, in the last analysis, by the citizens of the

<sup>1</sup> It is possible that for a short period after the formation of the federation, it might be desirable to regulate the rate of inflow into certain areas. It is, I think, highly improbable that this would be necessary in any European federation which is at all likely for some time to come. But if migration has long been dammed up and wide disparities of levels created, it is at least possible that it may be better to release the flood by degrees.

federation as a whole; and although no doubt, even so, there will be strong conflicts of sectional interests, it will not be open to the losers to argue that they did not have their say. In a world in which it is seldom possible to satisfy everybody, that surely is the optimal solution.<sup>1</sup>

#### IV

##### INTERSTATE TRADE

Much the same sort of solution is applicable to the problems of interstate trade.

Here, too, there is much to be said in favour of complete freedom. Indeed it is very hard to find anywhere, even in the vulgar polemics of restrictionism, any serious argument against it. Even

<sup>1</sup> It is perhaps worth adding that, in practice, in any federation of European states which it is possible to contemplate in the near future, the actual dislocation likely to be caused by the institution of free migration within the federation, is not likely to be at all serious. The belief that migration from poorer to richer areas must actually *depress* the average standard of life of the former, is based upon a grossly oversimplified analysis. Even if we assume that the migrants are directly competitive with the existing inhabitants, the most that is likely to happen in an advancing society is that the rate of increase of real income per head may be retarded. But in fact it is improbable that they will be competitive with the majority. Small specialized groups may suffer. But there is no reason to suppose that their case would be at all typical. I should hesitate to rely completely on this argument, for it is obviously contingent on the existence of special circumstances. The main argument for permitting migration is that it is the only way of *eliminating* inequalities which are due to position. But it happens to be true that those faint souls who are only prepared to do right if no important sectional interest is much embarrassed, may comfort themselves with the reflection that, in Europe at any rate, given the probable magnitude of the rate of movement which would actually take place, this fortunate conjuncture of circumstances is likely for some time to persist.

the most rabid protectionist hesitates to denounce a general freeing of markets. "If only other countries were free-trade too, my dear fellow, then of course the argument would be different. . . ." And whatever may be thought of the arguments whereby it is attempted to show that, in certain cases, advantage may be secured by restriction to the inhabitants of the restrictionist area, it has seldom, if ever, been seriously argued that such measures are not harmful to others. Even if—which is highly dubious—they succeed in doing more than create monopolistic privileges for certain minorities at home, they are essentially beggar-my-neighbour policies. To allow to the constituent states the right to interfere thus with interstate trade, would not only tend to lower productivity within the federation as a whole, it would also be a standing cause of disunity. Suppose that the constituent States of the United States of America had been allowed to retain this power. Is it likely that they would not have used it in ways deleterious to the general prosperity of the Union? Is it probable indeed that the union would have survived? Enough disunity has been caused by the unequal incidence of the federal tariff. If there had been interstate tariffs and quotas as well, is it not almost certain that the federation would have been disrupted?

But here again as in the case of migration, there is no need to write into the constitution an absolute prohibition of such restrictions. We may think that the occasions on which their use in any form would be justified would be so rare as to make such a prohibition no obstacle to sound policy. But we cannot be quite sure. Moreover it may be that some schools of thought may desire to make experiments involving internal regulations of trade; we should not wish that adherents of such views should feel that in creating the federation they were being compelled to abandon all such ambitions. All that is necessary is that, *if interstate trade is to be restricted, the restriction should be imposed by the federal authority.* We need not prescribe in advance the type of policy as regards internal trade which will be pursued by the federation. But we must make sure that individual states have not an arbitrary power to inflict damage on fellow-members of the union. It may be that their members, as citizens of the union, may succeed by persuasion or by political manoeuvre in working the federal mechanism in a direction hostile to the interests of others. Short of a constitution which is eternally rigid, we cannot altogether guard against that. But we can provide that, if it happens, it will happen as the result of



majority decisions in the appropriate federal assemblies, not as a result of the exercise of sovereign state rights about which the other members of the federation have no say.

The principle is thus clear. But its working out has more ramifications than at first sight might appear. It is not sufficient to rule out any state law involving important export duties. It is necessary to render inoperative *any* state law involving restriction or discrimination. The ingenuities of the restrictionist mind are endless; and it is possible to use what are apparently quite innocent forms of local regulation to discriminate against trade from elsewhere. In the United States of America, where, nominally, interstate trade is completely free, the most formidable body of restrictions has been built up under the shelter of regulations ostensibly designed to safeguard health and to provide protection against animal and plant diseases. It is probably not possible to legislate in advance against all such abuses. But at least provision should be made whereby special federal courts should be empowered to make due investigation and to disallow regulations which prove to have this effect.

Perhaps the most important danger of this kind lies in the field of transport. A government

resolved to bias interstate trade in favour of its own citizens can do almost anything by discrimination in transport rates and conditions of transport service. Bismarck is reported to have said that if he could control the railways he would not worry about protective tariffs. The problem of the best mechanism for preventing this sort of thing is a subject in itself involving highly technical considerations which obviously cannot be dealt with here. But it is clear that, from the outset, any discrimination which is allowed must be a matter of federal control.<sup>1</sup>

<sup>1</sup> It may be asked whether the general prohibition of state discrimination includes a prohibition of straightforward state subsidies to particular branches of industry. This is a matter about which reasonable people may take two views. There is no doubt that state subsidies can cause considerable confusion—witness the chaos in international shipping which has resulted from this cause—and this might be held to be an argument for complete prohibition. On the other hand, provided the subsidies are straightforward—that is to say, provided they figure to their full extent in the state budgets—it is arguable that they are not likely to go very far without encountering stiff resistance at home and that, since to bar them absolutely would involve a complete prohibition of assistance to local “infants” and “invalid industries,” this would involve too great a restriction of local initiative. I myself have an open mind on this subject. I am sure that ninety-nine per cent of the talk about “infant” and “invalid” industries is either rubbish or paid propaganda. But I am also convinced that the real danger is, not the open but the concealed subsidy. The dangerous feature of discrimination *via* railway rates, etc., is just that it can go on indefinitely without the local citizens ever becoming aware that they are being made to foot the bill. Provided there were immunity from all other forms of local protectionism, I should not very fervently resist the liberty to give subsidies out of the state finances. But I should be inclined to couple with it the proviso that they should be paid out of special budgets financed exclusively by direct taxation of all incomes.

## V

## MONEY AND BANKING

So far the problems we have had to tackle have not presented any very great difficulty. The objections to sectional control within a political organism of the movements of men or goods are so obvious that it is improbable that, given the objective of stability of the federation, expert opinion would be seriously divided concerning the appropriate means of securing it.

When we come to the problem of money and banking, however, the situation becomes more complicated; and it would be wrong to suggest that there would be anything like the same weight of expert opinion behind any particular solution which might be suggested. There are real divisions of opinion here which make any final decision a matter of great hesitation. Nevertheless it is possible that, here too, the kind of solution which we have proposed in regard to trade and migration, may be found to afford a satisfactory compromise.

At first sight it might seem that the argument was all in favour of a common currency and a common banking system for the whole of the federation. The convenience of a system which

would eliminate all the tedious business of turning one currency into another, the superiority of a state of affairs in which the disturbances arising from the lack of co-ordination of the monetary policies of different states would be automatically eliminated by a general unification, seem so obvious that, to the lay mind, it must be difficult to conceive that any other policy could be favoured. And the writer of this essay must himself confess that, on this point, he believes that the lay mind is thoroughly justified. The advantages of a single money are so great that it seems difficult to believe that, once they were firmly established, they would ever seriously be called in question. Would it be seriously suggested that it would be better for England and Scotland to have different currencies or for the different districts of the Federal Reserve System of the United States to have special dollars of their own and independent powers of varying the rate of exchange with other kinds of dollars ?

Nevertheless it must be realized that there is a school of thought, especially strong in Great Britain and Scandinavia, which, far from regarding the existence of different monetary systems for existing national areas with disfavour, looks upon it as a positive advantage. The reasons for this

attitude are various. But the reason which is relevant here is that it is thought that variations of the rate of exchange are an easier way of maintaining equilibrium with the rest of the world than internal expansions or contractions of credit.

This may sound highly technical. But a simple example should make it clear. Let us suppose that, owing to some invention or some change of taste, there occurs a relative fall of demand for the products of a certain national area. If the currency of that area is linked at a fixed rate to the currencies of other areas, this may mean a contraction of power to spend on the part of the local citizens—in the last analysis a reduction of incomes or unemployment.<sup>1</sup> If, however, the currency is independent, then the disequilibrium can sometimes be remedied by a fall of the rate of exchange. In each case there is a reduction, or a tendency to a reduction, of real incomes. This is inevitable since the value of the local products has fallen. But, in the latter case, it is argued, it is brought about comparatively painlessly by the foreign exchange market; in the former by general deflation. It is for reasons of this sort that national rather than international money is recommended.

<sup>1</sup> This need not happen; if incomes elsewhere are increasing, all that may occur is a diminution of the local rate of increase. In practice this is the more probable event.

Now it would be possible at this point to investigate at length whether this argument gives a really fair account of the relative merits of the two types of adjustment. We might enquire why, if things are as simple as all that, it is not proposed completely to generalize the proposal, and to institute independent currencies not merely for national areas but also for the administrative areas within them. We might push the thing to its logical conclusion and ask why each different industry should not have its own money so that, when the value of its products changed, money incomes could be kept constant and the rate of exchange varied. And, if that proposal was rejected, we might ask for a more precise definition of the "best" area of monetary independence, and scrutinize the answer carefully to see if, in the last resort, it did not depend upon highly questionable assumptions concerning the inability of the economic subjects to distinguish between money and real incomes.<sup>1</sup>

<sup>1</sup>I have analysed these questions at some length in my *Economic Planning and International Order*, Chapter X. See also Hayek, *Monetary Nationalism and International Stability*. My own view is that the academic advocates of independent national money have based their case upon over-simplified assumptions and that the extreme inconveniences which they profess to discover in international money are associated chiefly with certain varieties of the gold standard which are not truly international. The only definition of an optimal currency area short of the whole world which I have been able to construct for myself rests upon assumptions concerning labour mobility which I hope would be completely irrelevant to the internal affairs of a European federation. But it is

For our purposes, however, it is not necessary to enter into these complications. What is chiefly relevant here is that, so long as the power to vary the rate of exchange rests ultimately with the sovereign state, variations designed to achieve international equilibrium are not the only kind of variation which is possible. It is also possible that there may occur variations which are deliberately designed to snatch trade from competitors. It is possible that, as a result of internal policies, it may be thought necessary to make adjustments of the rate which, though not deliberately predatory, are yet such as to cause considerable embarrassment elsewhere. And while it is perhaps possible to argue that the adjustments which are designed to meet changed conditions of supply and demand might be beneficial all round, it is not possible to argue that these other kinds of adjustment are anything but detrimental to others. There is nothing more disturbing to trade in general than unwarranted fluctuations of the exchanges. There is no field in which the devices of economic nationalism are more devastating than in the field of monetary policy.

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not necessary to fight out the issue in this context. I hope the solution I propose below will satisfy all schools of thought in so far as they are not completely in the bondage of the ideology of state sovereignty.

It might seem, therefore, that there was a complete *impasse*. We cannot allow the federation to be endangered by the vagaries of monetary independence. We cannot hope that sufficient harmony will be reached by voluntary agreement between independent monetary authorities. Agreements of this sort are, of course, conceivable; and might work quite smoothly for a time. But if one state were recalcitrant it might upset the whole arrangement. The monetary history of the last decade affords no warrant for the belief that harmony can always be secured by monetary conferences of representatives of sovereign States. Yet here is a body of expert opinion, often with sincerely international sympathies, which urges that under modern conditions, different monetary systems are desirable in the different national areas.

Fortunately there is a way out. It is improbable that in the near future the opposing schools of thought will resolve their differences in this matter. But, for the formation of the federation, it is not necessary that this should take place. *All that is necessary is that it should be agreed that the control of money and capital movements within the federation is essentially a federal function.* The federal authority may decide that it is better that there should be a single money and a unified banking



system—in that case none of the difficulties we have been discussing need arise. It may, however, decide that separate systems are desirable; in that case, however, it will retain control of the variations of the rates of exchange and any other regulations which are necessary; there will be the safeguard that what variations take place take place by federal authority and not by the arbitrary decision of independent sovereign states. The present writer will not conceal his belief that this last would be a radically inferior solution. A common monetary system would be a unifying factor—the sign and symbol of a common market and a common welfare. A congeries of state systems, however carefully co-ordinated, would constitute a standing breeding ground for interstate dispute.<sup>1</sup> But, *provided that the federal authority has the last word*, it is not a system which is completely incompatible with the idea of federation.

## VI

### OTHER POWERS OF THE FEDERATION

There are certain other powers which must be given to the federal authority if it is to discharge its duties efficiently.

<sup>1</sup> I wonder if the advocates of this kind of solution have fully realized that it would necessitate state laws rendering void any contract in terms

Thus it must be given powers of taxation. Without finance it is impossible for it to undertake either defence or any other task which is allotted to it. Moreover it does not seem desirable in any way to limit the form in which this taxation may be imposed. It is probable that, at first, customs duties will play a large part in financing the Federal Budget. But customs duties are not necessarily the best form of taxation; and it is easy to think of occasions when to finance the whole of the federal budget by such means would be an intolerable inconvenience. It is unnecessary to linger on this topic. On the necessity for allowing to the federal authority a free hand as regards taxation, the arguments of Hamilton in *The Federalist* have never encountered serious objection; and it is not easy to believe that serious objection is possible.

For the same reason the federal authority must be empowered to borrow. Much as we may dislike public debt, it would be absurd to limit federal borrowing powers by statute.

Moreover it must have the power to carry out

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of the currency of any other constituent state. If it were not so, then of course contracts would tend to be made in terms of the currency expected to be most stable. I would like to add that if the area of union will be limited to Great Britain and continental Europe, excluding Russia, which is perhaps the most probable and certainly the most essential solution, there seems little to be said from any point of view against a completely unified monetary system.

public works. No doubt most of the public works within the federation will be initiated by the state authorities; and it is right and proper that this should be so. The federal authority should not be burdened with administrative duties which are best carried out by those with better knowledge of local circumstances. But it is quite conceivable that there may be public enterprises whose efficient operation involves an area of administration transcending the boundaries of particular states—a Channel Tunnel for example—and we must be careful to see that state rights do not impede the efficient performance of these functions. Moreover it is not excluded that to mitigate the incidence of periods of economic depression, it may be thought desirable that the federal authority should initiate special expenditure. Here again probably most of the work necessary could be done by state action, co-ordinated perhaps by federal subsidies. But direct federal action may be thought necessary and it is desirable that the way should not be barred by constitutional obstacles.

Finally it is necessary that the federation should have sufficient powers to deal adequately with any forms of monopoly which prove a menace to interstate trade. It will, no doubt, be felt desirable in many states that steps should be taken to limit

and control monopolistic extortion. But if the operations of the monopolies involve more than one state, then in the absence of an adequate federal law, these attempts are likely to be frustrated. Provision must therefore be made that the slackness of particular states in this respect involves no danger to the welfare of the citizens of the rest of the federation. It must not be possible for predatory trusts and combines, operating elsewhere in the union, to find sanctuary in some state whose legislature is indifferent to the welfare of the consumers. To devise adequate instruments of regulation and control in this sphere involves problems of the utmost legal and technical complexity. But the broad economic principle involved is not a matter of serious doubt.

## VII

### LOCAL DIFFERENCES OF INDUSTRIAL STRUCTURE

We have now sketched very roughly the necessary powers of the federal authority as regards internal economic activity. There are, of course, many details which remain to be filled in. But the outlines seem fairly clear, and the broad principles which have guided us thus far seem adequate to determine any questions which may be left over.

As regards the powers of the states, it is fortunately not necessary to be so lengthy. For as we have seen already, the powers of the states are only limited by what is necessary to transfer to the federation; and it is no more necessary to make a detailed catalogue of them than it is necessary to make a catalogue of all the things which may be done by a free citizen living under a law which restrains him only from doing that which is harmful to others. Any economic function which can be discharged without injury to other parts of the federation will be open to the constituent states—public operation of industry, control of local public utilities, labour legislation,<sup>1</sup> social services, research and education—all these and many others will be within the competence of the state legislatures, if the electors so desire.

There is, however, one question which it is desirable to deal with explicitly. To what extent will the states be free to make experiments in general economic organization? In particular to

<sup>1</sup> It ought perhaps, to be noted that there is a school of thought which favours the transfer of labour legislation to the federal authority. The problems involved are highly technical; and I will only say here that in my judgment this is not desirable. Uniformity of labour legislation throughout the federation might well involve substantial injustices to the poorer workers. (The reasons for this are set out *in extenso* in my *Economic Planning and International Order*, Chapter VII). If disparities, which are thought to be undesirable, develop between the different state laws, I think that there are indirect ways, *via* federal grants-in-aid, whereby adequate remedy is possible.

what extent will it be possible for the states to initiate collectivist experiments?

The answer is surely obvious. The states are completely free to set up collectivist undertakings. They may nationalize the means of production within their own borders or they may impose collectivist controls on private undertakings. They are not free, however, to restrict the economic opportunities of other members of the federation without receiving federal sanction. *In so far, therefore, and only so far as local collectivist experiments involve restriction or discrimination as regards the rest of the federation, it should be necessary for permission to be obtained from the federal authority.*

A simple example should make this quite clear. Let us suppose that the citizens of a particular state become convinced that the coal resources within their area would be better worked by state undertakings than under private ownership. There is nothing whatever to prevent them carrying through the most comprehensive nationalization without any reference whatever to the federal authority. But they must not restrict the import of coal from other parts of the federation without obtaining federal sanction; and if it should happen that they possessed a monopoly of coal *vis-à-vis* the other members of the federation, or were in

a strategic position to influence its price monopolistically, they should then in that respect come under federal law and their operations should be subject to whatever controls and regulations the federal authorities saw fit to impose. There is surely nothing in this which is incompatible with the aspirations of genuine collectivism. Collectivists who are genuine in their beliefs and not the secret or unconscious agents of sectional interests, will wish that their states should be free to institute forms of industrial organization which in their judgment have superior productivity. But they will not wish that they should be free to curtail the markets of their neighbours or to make extortionate gains through manipulating federal markets.

## VIII

### EXTERNAL ECONOMIC RELATIONS

Finally a word may be said concerning the economic policy of the federation in its relations with the outside world.<sup>1</sup>

<sup>1</sup> Perhaps I ought to state explicitly that, in all that has been written above, although the treatment is formal and abstract, I have had clearly in mind the formation of such a federation as seems possible in parts of Europe and certain associated regions. I do not believe that the formation of a world federation is at present remotely possible. Federation necessarily involves some degree of like-mindedness and like educational levels; and the sort of political reorganization which will provide security for the main values of western civilization is much

It should go almost without saying that the treaty-making power which must necessarily be vested in the federal government must carry with it the power of regulating external economic relations. It would clearly be dangerous to the unity of the federation if the constituent states were in a position to make external agreements regarding economic affairs, independently of the central authority. Regulation of international trade and communications, international financial relations and immigration must therefore be federal functions.

Now it is not the object of this paper to examine how the various functions of the states and of the federal authority should actually be exercised in practice. Its object has been to establish how powers should be divided, not how they should be used. The question of the proper policy to be adopted in the exercise of different powers will be the continuous preoccupation of the political life of the states and the federation; and it is no part of our present business to attempt to anticipate the various decisions which will from time to time be reached.

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more likely to come from the small beginnings of a federation of like-minded Europeans, than from more grandiose structures which, because of the lack of these essentials, would not stand the strains of so close a unity.



But in regard to external economic relations perhaps it is permissible to lay down one generalization. It is probable that relations with the outside world will be subject to some degree of restriction. In particular, whatever degree of freedom of internal trade is permitted, it is likely that, for many years to come, there will be some limitation, *via* customs tariffs, on trade with the outside world. The prospects of superior market advantages within the federal area may indeed be one of the main attractions to new adherents. It is most improbable that the external policy of the federation would be one of completely free trade and free migration.

Nevertheless the same reasons that suggest the desirability of eliminating sectional interest within the federation, suggest also the undesirability of an external federal policy which consolidates positions of local privilege. We cannot hope in our day to build a federation so wide that it embraces even a majority of the world's inhabitants; and although our most pressing task is to eliminate the chaos of independent sovereignties among the closely juxtaposed states of Europe, yet when that is done there will still exist the possibility of clashes between the interests of the inhabitants of that area and the interests of the inhabitants of other political

units. A European Federation would be a supreme example of a "have" state; and if its economic policy *vis-à-vis* the "have-nots" in other parts of the world were markedly illiberal, it might raise up against itself formidable combinations. Quite apart, therefore, from the undesirability of giving rise to the internal disunities and mal-adjustments which almost always accompany the policies of restrictionism, there are solid reasons of international politics, why such policies should be reduced to a minimum. The formation of the federation is essentially an affirmation of the principles of justice and freedom as regards internal relations. It is desirable that its external policy should be based upon similar principles.

#### NOTE

In the above paper, nothing has been said concerning the problems which would arise during the transition to federation or during the first few years of its existence. This omission has been deliberate; it would have been impossible to deal with these questions without intolerable complications of exposition. But it ought to be pointed out that it is in this sphere that some of the greatest difficulties arise and it is in this sphere that there is probably most scope for fruitful realistic research.

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It was written and published before the author became subject to that prohibition of independent utterance on matters relating to policy which is the necessary and proper rule of government service. To avoid any possible misunderstanding, however, he wishes to say that nothing that it contains is to be regarded as in any way associated with his present official position.

# THE COLONIAL PROBLEM AND THE FEDERAL SOLUTION

By NORMAN BENTWICH

IN the early months of the war the streets of Paris were placarded with a map of the world, the territories of the British and French Empires being marked in red, and bearing the slogan: "*Nous vaincrons parce que nous sommes les plus forts.*" The map showed in red the greater part of Africa, a large chunk of Central and Southern Asia, stretching from Palestine and Syria in the West through Aden, India, Burma, Indo-China to the Malay States and the Straits Settlements in the East, Australia and the greatest part of Polynesia, and lastly in the Western hemisphere Canada, the West Indian Islands and a corner of the North coast of South America, being British and French Guiana. The placard, which now seems tragic, "gave one to think" about the distribution between the Great Powers of the world's surface and resources.

We do not, of course, own the colonies, but British and French subjects and their Governments derive economic benefit by the control of their territory. There is to-day an uneven distribution

of resources. The British Commonwealth, which comprises the self-governing Dominions and the British Colonial Empire, together contain about one-quarter of the area and population of the world. The French Empire, most of it in Africa, comes third in territorial extent, next to the British Empire and the Soviet Union.

Apart from Great Britain and France, the chief colonial Powers are Holland, Belgium and Portugal. The last country, which dominated in the nineteenth century the coasts of Africa, India and Brazil, has still under her sway two large colonies in Africa, Angola in the West, Mozambique in the East. Holland, which once fought with England for the command of the seas, has an empire in the East Indies over a million square miles in extent, her notch of Guiana in South America, and a few West Indian isles. Belgium, which entered the field of expansion late in the nineteenth century, administers the large area of Central Africa known as the Congo Free State, subject to the provisions of an international convention prescribing the Open Door policy; and she holds the Mandate of the League of Nations for the neighbouring territory of Ruanda Urundi, which was formerly part of the German colony of East Africa.<sup>1</sup>

<sup>1</sup> For the purpose of this paper, Mandates and Protectorates are regarded as colonies.

Five European Powers, then, control vast areas in the other continents, are responsible for the well-being of many millions of the native inhabitants of Asia and Africa, and control the resources of areas many times larger than the mother-State.

The value of colonies in war as sources of raw materials and foodstuffs is a special grievance to the States without colonies.

Some colonies have nearly attained self-government. That is the case with several of the older British dependencies, e.g. Malta, Ceylon, Jamaica and other West Indian islands; Java in the Dutch East Indies; the mandated territories of Syria and Palestine. But the largest part of the colonial empires is under the direct rule of the imperial power. The native inhabitants are backward; their economic as well as their political system is imposed on them from outside. Their backwardness is the main reason for their subjection to foreign rule; and the use of the undeveloped resources of their country for the general well-being of mankind is the accepted justification of economic control. In the early centuries of colonial expansion the Mercantile Theory was accepted, and the colonies were treated as a preserve for the enrichment of the mother-country. Significantly the colonies were described in British Statutes as

possessions. During the nineteenth century the British, the French and the Dutch abandoned that theory, at least in principle; and the British colonial minister, Mr. Joseph Chamberlain, declared that our African colonies were undeveloped estates of Europe which Great Britain held as a trustee for civilisation. The policy of complete free-trade, which existed at that time in our colonies, but which *he* was seeking to modify—and the policy of the Open Door gave some reality to his claim. On the political side it was the expressed aim of England, France and Holland to educate the peoples under their rule to self-government. But the execution of that purpose moved at a very unequal pace, and a substantial part of the peoples have remained in a condition of political backwardness and of economic wretchedness.

The colonial problem, as it has been presented and discussed during the last twenty years, has had two major aspects. On the one hand, the feeling has grown that a more thorough attempt must be made to give to the native inhabitants of the colonies a fuller share in the resources, and a fuller part in the administration, of their country. On the other hand, the States without colonies have demanded equality of opportunity in the use of the resources of these vast areas. The two

aspects, then, of the question are the paramount interest of the native inhabitants, and a fairer division of the products of the territories.

The causes of resentment against the British and the French Empire on the part of States without colonies are partly political and partly economic. The political grounds are that colonies are a source of military strength, by the provision of manpower and of coaling stations or bases for naval and air forces; that their possession gives prestige; and lastly, that they are outlets for surplus population. The last ground, so far as tropical territories inhabited by native peoples are concerned, is exaggerated.<sup>1</sup> At the same time, the military and strategic motives for wanting colonies and the intangible element of prestige cannot be gainsaid in existing conditions.

The economic objections of the have-not States are that in present circumstances they cannot obtain the raw materials which they need for their industry, they have not the same profitable outlets for the investment of their capital, and they lack the opportunities of "jobs" for the enterprise of their citizens. The economic objection, like the political, is overstated. Far the greater

<sup>1</sup> Nevertheless, the restrictions on immigration of foreign subjects, whether refugees or voluntary emigrants, have been an added irritant of recent years.

part of the raw material resources of Great Britain comes from foreign countries and the self-governing Dominions of the British Commonwealth, and far the greatest part of the British investments is in those countries and the Dominions and not in the colonies. Nevertheless, a substantial proportion of the trade, both inward and outward, of the colonies, is with the mother-country; and the investment of capital is in fact reserved in considerable measure for enterprise of the mother-country. That is the case as much in the French Empire as in the British. A survey in 1938 of the economic resources of Great Britain gave the following picture. British-owned securities in public and other enterprises in the colonies and protectorates were to the value of £200,000,000. The trade of the United Kingdom included imports from the colonies of about 10 per cent of the whole; and exports to the colonies, 12 per cent. Of important raw materials England derived one-half of her smelted tin, one-tenth of her cotton, three-quarters of her rubber and cocoa, one-third of her tea, and one-sixth of her sugar from the colonies.

It is relevant also to consider the value of the "jobs" which the colonial empire provides for British subjects. In the middle of the nineteenth



century it was said that the Empire was "A gigantic system of out-door relief for the British governing classes." That was another overstatement; but it has been estimated that the number of British subjects holding official positions in the non-self-governing parts of the Empire to-day is approximately 20,000, divided almost equally between India and the colonies. The figures do not include those who are serving in the military and naval forces themselves; and in addition a large body of retired officials, estimated to be equal to that of the serving officials, draws pensions from colonial revenues. Moreover, the representatives of industrial and commercial concerns working in the colonies, who spend only part of their lives overseas and do not become permanent settlers, are paid out of the general social income of the dependent territories. Nearly half of the British men, women and children in the colonies depend on salaries or pensions from government and non-government jobs. Their incomes range between £250 and £2,000 or more a year.

The acquisition of colonies, which were regarded as a source of wealth and power, was one of the objects of war in the seventeenth and eighteenth centuries. In the later part of the nineteenth century colonies and protectorates were acquired by

the Great Powers without war between each other as a means to capitalist expansion. At the end of the World War 1914-18, the principle of non-annexation of colonies was put forward by President Wilson as one of the major terms of the settlement, and was accepted by the Principal Allied Powers. One of the Fourteen Points of the President was "Free, openhanded and absolutely impartial adjustment of all colonial claims, based upon a strict observance of the principle that, in determining all such questions of sovereignty, the interests of the populations concerned must have equal weight with the equitable claims of the Government whose title is to be determined." In fact, by the Treaty of Versailles the German colonies in Africa and Polynesia were transferred, without consultation with Germany or with the inhabitants of the territories, under mandate to the Principal Allied Powers.

The Covenant of the League contained an article which sought to express—in language derived rather from the professor than the lawyer—a new conception of the government of backward areas: "To those colonies and territories which have ceased to be under the sovereignty of the States which formerly governed them, and are inhabited by peoples not yet able to stand by

themselves under the strenuous conditions of the modern world, there should be applied the principle that the well-being and development of such peoples form a sacred trust of civilisation, and that securities for the performance of this trust should be embodied in this Covenant. The best method of giving practical effect to this principle is that the tutelage should be entrusted to advanced nations who, by reason of their resources, their experience, or their geographical position, can best undertake this responsibility, and who are willing to accept it, and that this tutelage should be exercised by them as Mandatories on behalf of the League."

After dealing with the communities which had belonged to the Turkish Empire and which "should be recognised provisionally as independent nations," the article continued: "Other peoples, especially those of Central Africa, are at such a stage that the Mandatory must be responsible for the administration of the territory under conditions which will guarantee freedom of conscience and religion . . . the prohibition of abuses such as the slave trade . . . and the prevention of the establishment of fortifications or military and naval bases and of military training of the natives for other than police purposes

. . . and will also secure equal opportunities for the trade and commerce of members of the League. . . . In every case of a Mandate, the Mandatory shall render to the Council (of the League) an annual report in reference to the territory committed to its charge. . . . A permanent Commission shall be constituted to receive and examine reports of the Mandatories, and to advise the Council on all matters relating to the observance of the mandates."

The following article of the Covenant applied some of these principles more widely than to the German colonies. The members of the League undertook to secure and maintain fair and humane conditions of labour for men, women and children, both in their own countries and in all countries to which their commercial and industrial relations extend, and to secure just treatment of the native inhabitants of territories under their control.

The main principles established by the Mandates System are: (1) the well-being of the native inhabitants as a trust and a paramount obligation of the administration; (2) equal opportunity in these dependent territories for the subjects of all States-members of the League, and no preference or discrimination in favour of the subjects of the governing Powers; (3) no "use of the territory

for military or naval purposes; (4) responsibility by the governing Power for the execution of its trust to the international society.

Moreover, the British Delegation to the Peace Conference suggested that these principles would be applied in the British colonies.

"It is to be hoped that the maintenance of a high level of administration in Mandated territories will have a reaction in any place where the administration is actually on a low level, and that the principle of the Mandate will show that it is capable of general application."

Most of the Mandates over the former German colonies were entrusted to the British peoples. The King, in the government of the United Kingdom, received the Mandates for Tanganyika, the Cameroons and Togoland; and in the governments of the Union of South Africa, Australia and New Zealand respectively, the Mandates for South-West Africa, New Guinea, clusters of Pacific islands and Samoa. The principle of the Open Door was not applied to the Mandates entrusted to the Dominions. These territories are administered under the laws of the Mandatory as integral portions of its territory, subject only to safeguards in the interest of the native populations. That was an added grievance to the

Germans from whom the territories had been taken; and when, some years after the peace settlement and the adoption by the Allied Powers of the provisions of the Covenant, Great Britain went back on free-trade, and imposed protection for her own exports in the colonies and protectorates—which were not subject to Mandate—in return for imperial preference granted to the products of these territories, the grievance of Germany, Italy and Japan was accentuated. In the closed economy of the world during the last decade it became more difficult than before for those countries to trade with the British colonies, whether by way of import or export.

All is not well in our colonies from the point of view of the status and economic position of the mass of their inhabitants. In the nineteenth century, as we have seen, the colonies were regarded as an opportunity for capitalist exploitation, and the capitalist profited by the low wages of native labour. When they no longer rendered profitable return on the capital invested, they were neglected. Labour disturbances a few years ago in some of the West Indian Islands drew attention to this feature of colonial government. The Royal Commission under Lord Moyne, whose report was received after the outbreak of

war, stressed the need of material help for the agricultural, educational and other social services in the interest of the native population. The Government responded to this challenge to the national conscience even in the midst of war. The Colonial Development Fund, which had hitherto been limited to £1,000,000 a year, was raised forthwith to £5,000,000 a year; and the purposes for which it could be used were extended, so that help might be given not only for public works and commercial and industrial enterprises but for the essential needs of the native population.

It is notable that the native peoples have kept their loyalty to England in the war. Yet we may not be complacent about the way in which we have carried out the declared trust for the native peoples and for civilisation. The backwardness of the native society is marked not only in darkest Africa, but also in areas where British administration has been continuous for hundreds of years, e.g. in the West Indian Islands and British Guiana. We have done little so far to advance education. The colour bar is maintained in some African colonies. Natives are excluded from the holding of land in the best parts of the country, restricted in the crops which they can cultivate, excluded from industrial occupations except of

the lowest kind, and allowed no direct part in representative political bodies. They have a long way to advance before they can be said to reach the status of freemen. The distribution of the Government revenue as between white men and natives shows grave discrimination. Answering a question in the House of Commons about Kenya Government expenditure in educating European and African children, the late Secretary of State for the Colonies said that the annual amount was for European children £17 12s. and for African children 12s. 3d. per head. Yet far the greater part of the taxation of the country is derived from the natives. The Mandates for Central Africa contained specific provisions for securing to the native peoples the use of the land and for control of transfers to white settlers. Measures of the kind seem to be required in the interests of the native peoples throughout the Empire.

It may be doubted whether even the more generous provisions to be made by the Colonial Office for assisting development will be adequate to raise to a proper level the standard of living and the social services. Five million pounds a year is still a small capital fund for the amelioration of the life of sixty millions whose condition has been backward for generations.



The need of advance on the political side towards self-government is as urgent. Several of the older colonies in the British, French and Dutch Empires have progressed far towards this condition or have attained it; and they may judge for themselves whether they wish to stay under their present sovereignty or to become separate units, like the British Dominions, in a larger political order. But most of the African peoples have little voice in deciding the major questions of policy concerning their own development. British administration has developed during the last decades a system of local and tribal self-government which gives a measure of autonomy and an opportunity of preserving national customs and traditions. But the system is significantly called "*indirect rule*"; and has been described as "letting the white head think and the black hand rule." The major lines of policy are determined by the British administrator; the application and execution of those principles are left to the native princes and chieftains in their assemblies. But the native peoples want to have a voice "in deciding the conditions under which land may be leased or mineral resources developed, to be free to sell their produce through their own organisation in the best market, and to choose

the conditions under which they shall purchase goods from other countries.”<sup>1</sup> They wish also to have a vote in the assembly which makes laws of general application, a say in the appointment of the central government, and a part not only as clerks and attendants but as higher civil servants.

Three checks are required to prevent the abuse and exploitation of the backward peoples by governing Powers: the check of the peoples themselves; the check of the parliaments of the governing countries; and the international checks. The first can only be exercised effectively if the native peoples are increasingly responsible both for the legislative and executive organisation of government. The French have advanced more thoroughly in this respect. Their colonies send elected representatives to the French Chamber and the Senate; and a native of Senegambia was Under-Secretary for the Colonies in France. We have not yet contemplated the presence in Westminster of coloured representatives of our colonial Empire, much less of an Under-Secretary of State from among the British coloured peoples. It is still difficult for a member of the coloured peoples in Africa to attain any high place in the local administration.

<sup>1</sup> “The Future of the Colonies,” by W. B. Mumford, *Time and Tide*, February, 1940.

After this prelude dealing with what is, I come to the major question: What should be the system of the colonies in a federal union? We must presume that the Union will at the outset include Great Britain, France and Germany, and it is hoped also Holland, Belgium and the Scandinavian countries. Four proposals can be distinguished: (a) The colonies should remain under their present national sovereignties, and should not be included as a subject for federal control or supervision, but each nation in the Federation should apply itself the enlightened principles of colonial administration, with the fixed condition that there should be equal economic access for the subjects of members of the Federation; (b) The colonies should remain under their present national sovereignties: but the principles and institutions of the Mandate System, hitherto applied only to the former German colonial territories, should be extended to all areas dependent on Federated States which are not yet ripe for self-government; (c) The colonies of all members should be administered by a federal organ responsible not only to the central Federal Council or Parliament that is established, but also to the League of Nations working through its

international organisation on the lines of the present Mandates Commission; (d) All or some colonies not ripe for self-government, or approaching that condition, should be internationalised, i.e. placed under an administration appointed by and responsible to the League of Nations in the same way as the Secretariat of the League and the International Labour Office. We will take these four proposals in turn.

(A) It is suggested that the British conception of educating the native peoples towards independence is more progressive than that of other States in the proposed Federation; and therefore the peoples of our colonies should remain under their present system till they are self-governing. Any peoples who freely express their wish to remain should, indeed, have their way. But can we be confident that British administration is the only fair way, or the best way, to political and economic freedom, and that our colonial policy is self-denying and self-abrogating? Moreover, can we expect other States to be content that we should continue to rule and develop these vast areas of the world's surface, controlling the pace of their development, taking for ourselves a large share of their resources, retaining for ourselves their administration during an

indefinite period, and the privileges of civilising them? The experience of the last twenty years supports the contention that international supervision and responsibility to an international body afford greater security than unmodified national government for the well-being of the native peoples and for the policy of the Open Door. If, in more recent years, there has been some setback in the effectiveness of the international supervision, a tendency to disregard the criticisms and recommendations of the Mandates Commission, this is a reflection, not on the value of the international control, but rather on the perils of unqualified national sovereignty. Moreover, the grievance of Germany about colonies had a plausible basis, though it was impossible, in view of her racial doctrines, to consider the return of her former colonial territories, and, in view of her undisguised scorn for international obligations and the League of Nations, impracticable to confer on her a Mandate for the administration of any colonial territory. But it is difficult to conceive a peaceful international order in which Germany has a part, unless she can have her place also as part of that order in the colonial sun.

(B) The fairness and the desirability of extending to all colonies the principles of the Mandate

which are laid down in the Covenant of the League, have been recognised by liberal thinkers. The Labour Party in England has made their extension to our colonies one of the points of its programme for a peace settlement; and Lord Halifax spoke of the enormous benefit conferred on the Mandated territories by the application of the provisions of the Covenant. A genuine execution of a trust for the native peoples requires some outside body to which the trustee renders account. In a Federal Union the international body to which the colonial administration of a State rendered account might be a Federal and not a League body. The principles prescribed by the Mandate documents could be extended, with amplification, by the Federal Council to the colonies of the members of the Union; and a Federal commission approved by and responsible to the Federal Council would see to their faithful application. That would be an advance on the present position; but the responsibility to the larger international body, comprising representatives of all States and races, is juster in theory and likely to be effective in practice. The principle is that the governing Power holds a trust not for any group of States, but for civilisation; and a body which represents the whole society, and

not some more limited interest, would best control the execution of the trust. For that reason extension of the control of the League of Nations authority is in principle to be recommended. It would be difficult, also, to adjust the relations of Federal and League Commissions, if one supervised the present colonies and the other the present mandates.

Experience has shown that certain changes of the present system of supervision by the Mandates Commission are needed for its more efficient working; and these changes should apply either to a Federal or a League organ. The Commission itself has expressed the wish that its members should be entitled to visit officially the territories under Mandate in order to obtain a clear view of the conditions, whether in peaceful times or in times of unrest. There have been occasions of serious trouble in Syria, Palestine and Samoa when, in order to form a just opinion and to be able to give helpful advice, it would have been well if one or more of its members could have inspected the conditions. The Commission has also recommended that petitioners to the League should, where thought fit, be entitled to state their case in person. At present the representative of the Mandatory is regularly questioned about the matter of the petition. But the

Commission has to be content with his explanation and with what it can gather from the documents. Again, the experience of recent years has indicated the need for the international body to have fuller authority to implement recommendations. Where a Mandatory government or Federal member did not satisfy the League or Federal body that it had given effect to the recommendations, it should be possible for the League—or the Federation—to appoint a commissioner in the colonial territory to see to the implementing of its advice. The financial commissioners who were appointed in the “ ’Twenties ” by the League for Austria, Hungary and Greece to supervise the economic reconstruction sponsored by the League afford a precedent.

(C) The more radical measure is the abandonment of the national government of colonies by members of the Federal Union, making administration of colonies a federal subject. That would mean a gradual retirement of the national colonial service in those territories which are not self-governing or rapidly growing to manhood; and its replacement by federal administration. The principles of government would be laid down by the federal authority, and the administration would be formed by persons chosen from the



members of any of the federal states. The main aims which should inspire a federal government of dependencies have been defined by Sir William Beveridge as paramountcy of native interests; equality among all citizens of member States for trading, access and settlement; fair consideration of the interests of States outside the federation. The federal powers would need to be greater than those now accorded to the Mandates Commission of the League. They would place in the hands of the federal government substantial public funds required as grants-in-aid for colonial development; and discussion of colonial questions with States outside the Federation would be a federal affair.

One of the questions to be further examined is whether the open door and equal economic opportunity should be limited to the subjects of members of the Federal Union, or apply to the subjects of all States. In favour of the second course it is urged that (a) it would be in the interests of the native inhabitants—which should be of paramount importance—(b) it is in accordance with the liberal principles which were part of British colonial policy until recently, and (c) any preference is likely to lead to a sense of grievance on the part of excluded countries.

It is objected that the divergence in colonial

policy of the chief colonial powers in any Federal Union militates against a unified federal system of administration, and that the native peoples, e.g. those under French or British control, would resent being transferred to a federal administration, which would lack the same appeal of personal loyalty. In regard to the latter objection, it is relevant that the natives of Samoa, a primitive race, when discontented with the New Zealand Mandatory, asked for direct administration of the League of Nations. It would not be difficult to evoke a sense of loyalty to a federal body, if once that policy was decided. As to the divergence in colonial outlook, much would be gained if the colonial Powers pooled their ideas. The introduction of the Mandate System, with its Permanent Commission composed of representatives of many countries, was a step in that direction. Another step on these lines was taken in the early stages of the war by Great Britain and France, as part of their economic and financial co-operation, which statesmen of both countries held up as a prelude of a new international order. In March 1940, the British and French Colonial Ministers met in Paris to consider collaboration between the two colonial empires, not only for the purpose of war, but

with more permanent objects. The arrangements contemplated permanent liaison between the neighbouring British and French colonies, regular conferences between the Governors of the territories, and contact between administrative and specialist officials, with the particular object of the greater well-being of the colonial peoples.<sup>1</sup>

The popular idea of the divergence of British and French systems of administration is greater than the reality. The greatest of the French administrators, like Lyautey, had much the same outlook as the British administrators like Lord Lugard; to foster self-government and to expand as rapidly as possible the social services. It would be a logical step from collaboration to a mixed colonial service in the British and French colonies; and from that again to a more broadly chosen colonial service of the Federal Union. Difficulties of language, which were suggested, have not proved serious in the League offices, or in bodies like the Saar Commission. One successful example of joint Anglo-French administration in the New Hebrides Islands in the Pacific, where there are two official languages and mixed Anglo-French

<sup>1</sup> It has been suggested that during the war a beginning should be made of an Inter-Colonial Council, in which our Allies, Holland and Belgium, as well as the Free French, would be represented, to consult about common policy in all the colonies.

Courts, existed before the war. There is general agreement on the desirability of introducing technical officers from different countries into colonial administration. A federal technical service would include officers of countries that to-day have no colonies, as well as of those which have colonial experience. And the process should be extended to every part of the administrative services, so as to secure the adoption of a common economic and common social policy. The exchange of ideas between officers of different nations should be an advantage in the task of the economic and political development of the colonies. The Dutch have achieved a remarkable measure of contentment in the Indies, and they can make a contribution to the whole problem. German science and method could also make their contribution; the Scandinavian peoples, who have been amongst the most successful settlers in America and some of the British Dominions, could have a part.

The fear is often expressed that a civil service composed of persons of several nationalities will have no cohesion and will be constantly at loggerheads. The experience of the Secretariat at Geneva during the first fifteen years of the work of the League, before the incursion of national jealousies, is valid evidence the other way. The

international civil services worked happily and efficiently for fifteen years; and the International Labour Office still operates happily and efficiently. It would not be expected that, if a federal administration of colonies were established, there would be an immediate break with the existing colonial regime. Replacement of the national administration by the federal would be gradual; and the federal authority would only appoint men who had received special training and had shown special fitness.

One aspect of federal administration of colonies should be considered in connection with the maintenance of international peace. It is the government of the outposts of the British Empire which are vital to our strategic lines of communication—Gibraltar, Malta, Cyprus in Europe; Aden and Singapore in Asia; and some of the islands off the coast of Africa and in Polynesia which are of importance for the air-lines. It is suggested that they might be brought under a federal administration; and where a garrison is needed, they should be garrisoned by federal forces. That step would give a sense to all members of the Federation that freedom of the seas and freedom of air communications would be assured equally for all members of the Union, whose main purpose is to assure the liberty and peace of its peoples.

(D) The proposal for the internationalisation of colonies and their administration by an international civil service, not limited to persons who are subjects of the federal States, is made by those who look to the more radical project of the world-State. Some of the considerations in favour of federal administration apply equally to the more thorough-going change. Further, if all the present colonial Powers were in the Federation, and several important European States were outside it, e.g. the Danubian countries, Spain, Italy, it might be a continual subject of resentment that their subjects were excluded from the government and development of the colonies. On the other hand, the organisation of colonial administration by persons belonging to a group of States that share a political, economic and social outlook, and therefore look at the problems from the same angle, is likely to be more harmonious than an immediate leap into world government in just that sphere of administration which is the most difficult. The larger international society should have its part in the supervision of the colonial administration through the organisation of the League of Nations, which, it is assumed, will remain and be strengthened. The Permanent Mandates Commission, or a similar body with

fuller powers, would see to the fair execution of the principles laid down by the society for the well-being of the natives and for equality of opportunity in the use of the resources. Combined federal control and supervision of the League would be a double check against any national self-seeking in colonial administration.

There is no compelling reason why a single system should be applied. It might be found best to retain some colonies under national government if that were the wish of the peoples who have attained a status where they can choose for themselves; to place others under federal administration, subject to the supervision of the League; and lastly to place one or more territories experimentally under international government, directly appointed and responsible to the League. The experiments hitherto undertaken in direct international administration are too few and too small to allow us to form a sound judgment of its value. The Commission of the League which governed the Saar region for fifteen years, and was a genuine international body, executed its difficult task with credit. The international commissions which have dealt with the administration of Danube navigation and similar technical matters have a good record. But in the world-order,

to which we are advancing, experiments of a bolder kind are called for. Any experiment of the kind must be governed by one condition, that the native peoples should in some way express their willingness for the change.

One thing is certain: we cannot hope to establish a peaceful order with an approach to world citizenship, whether by Federal Union or any other way, unless we are prepared, in deed as well as in word, to renounce national advantages and privileges in the governing of territories inhabited by less developed peoples, and to let people in other countries have a part with us. We cannot have a federal omelette without breaking some national eggs. The criterion of a federal system of colonial administration must be its capacity to fit the native peoples for self-government as rapidly as possible, recognising that colonies are not *possessions* of the governing Power, but belong to their own people and should be developed for their benefit; and that their peoples should be helped "to stand by themselves in the strenuous conditions of the modern world," and enter the Federal Union as independent members.



# FEDERAL UNION AND THE COLONIES

By LORD LUGARD

THIS essay is an attempt to explain the reasons why many of those who have the interests of the Colonies at heart are opposed to any form of international administration or control, whether by a Federation of States or any other non-national Consortium. It ventures no opinion as to the success of the project of a Federation in Europe and is exclusively concerned with the relation of the proposed Federal Union with the non-self-governing dependencies, if and when it is successfully inaugurated. Since the States which it is suggested should federate include four of the leading Colonial Powers, on whose adhesion success must depend, consideration of their attitude on this important aspect of the problem cannot be delayed.

## *Federal Administration Incompatible with Trusteeship.*

The first reason for opposing the transfer of national administrative responsibility is that

members of the League of Nations have accepted the principle that the governance of Colonies is a sacred Trust, and its transfer without the willing consent of the people concerned would be a breach of this Trusteeship inconsistent with national honour. H.M.'s Government in particular has declared that this principle is applicable to all overseas dependencies, and has declined to transfer the South African Protectorates, even to a Dominion, against their will. Leading statesmen have declared that arbitrary surrender would be tantamount to dealing with the peoples for whose welfare we are responsible as though they were slaves or chattels, and mere possessions which could be transferred at will, regardless of the fact that the inhabitants of Crown Colonies are British subjects.

Evidence of the objection—to use no stronger term—of the native peoples to the rumoured possibility of such action is remarkable for its unanimity in British dependencies, and it may be affirmed without fear of contradiction that the same feeling permeates the French and Dutch Colonies. To abandon our responsibility would indeed be a despicable return for the loyalty they have shown in this and in the last war, by readiness to serve in the field, and by gifts often

pathetic in their simplicity towards the cost of the war or to Red Cross funds. The reasons for the proposed inclusion of Germany in the Federation are, needless to say, not understood by them, and increase their apprehension. Sir W. Beveridge in his pamphlet "Peace by Federation", writes that "the principle that millions of human beings should not be transferred without regard either to their wishes or their interests . . . is worth a war" (p. 16).

### *Strength of National Sentiment.*

The cosmopolitan nature of Federal control would inevitably sacrifice that natural tendency of a subject people, not only to adopt the standards of the ruling race, but even to take pride in identifying itself with it, which is an effective incentive to progress. If in an African dependency there was a European settlement identified with the Sovereign State, it would not be easy to secure its co-operation.

It is indeed difficult to believe that the people of France, Holland, and Belgium, no less than of Britain and the Dominions, could be reconciled to the transfer of responsibility for the Colonies

<sup>1</sup> "Peace by Federation" by Sir William Beveridge (Macmillan, 1940).

in which they take pride to a Federal Government and a cosmopolitan overseas Staff, deprived of the incentive of national patriotism. Nor would they be willing to hand over to them the results of decades—in some cases of centuries—of national effort and expenditure in exchange for a mere vote on a composite Committee. The proposal might cause a rift in the harmonious relations of the democracies, and even in the British Commonwealth. The sentiment is but little less strong in the international territories administered by Mandatories after twenty years of national administration. It is not at present possible to forecast their future status, but they cannot of course be dealt with as national dependencies until the Treaty of Versailles is denounced by the Allies and Associated Nations of the last war.

### *The Economic Value of Colonies.*

The need of the raw materials and the foodstuffs of the Colonies by the industrial peoples of Europe, and of room for the expansion overseas of their congested populations, is the principal argument put forward for a transfer of control over, or the redistribution of, the dependencies, by those who hope that the demand might be

satisfied in this way. It suffices here to point out that the two Powers which have raised the claims of *Lebensraum*—Germany and Italy—have taken unprecedented measures to increase their birth-rate, and that the number of settlers in their own pre-war colonies was insignificant. On the other hand there is no room for immigration on any appreciable scale into dependencies already fully populated by rapidly increasing indigenous races. Pressure of population in Europe is a valid reason for claiming access to the resources of the Colonies, but not for expropriation of rightful occupiers, or for transfer of political control.

The percentage of the world's demand for raw materials and foodstuffs which is derived from the Colonies has been exhaustively investigated by the expert international statisticians of the League of Nations and published in its Year Books. From these and the researches of other economists and experts the Royal Institute of International Affairs has prepared a valuable and well-documented study, supported by tables showing the approximate output in a normal year, of the dependencies of all nations.<sup>1</sup> The conclusion reached is that "Colonial areas represent—except

<sup>1</sup> "Raw Materials and Colonies" (Information Paper No. 18, 1936, 2s. 6d.) See also "German Claims" by the same, and "Peaceful Change" by an International Study Group.

in the case of rubber—only about 3 per cent of the world's production of raw materials”.

The main staples of industry such as iron, cotton, wool, coal and petroleum are produced by the self-governing independent States (including India, which controls her own exports), and not by the Colonies. It is from them also that the chief food supply of the world is derived—wheat and other cereals, meat of all kinds, dairy produce, animal and vegetable oils and fats, &c. The aggregate output of any foodstuff by the Colonies does not exceed 5 per cent, except in cocoa, tea and bananas. The potential production of many of the dependencies, especially in Africa, has not, however, been fully developed, but international control based on the desire to meet the demands of the dissatisfied Powers would assuredly “involve exploitation incompatible with the interests of the inhabitants”—against which national responsibility is the best safeguard.

The chief preoccupation of the Colonial Powers has, in fact, been to dispose of Colonial agricultural produce at prices which will cover the cost to the native producer, and this in times of economic depression has often been difficult. In some cases, such as tea, rubber, tin, &c., the potential output has been restricted by inter-

national agreement in order to avoid a "slump", disastrous to producers. Access to Colonial produce and the possession of Colonies with seaports for warships and aircraft, and with potential manpower, is of vital importance in time of war, but the ability to retain them and to transport their produce depends on sea-power.

*The Financial Aspect.*

On the other hand Member-States which do not possess Colonies may feel that economic advantage, restricted by safeguards for native interests, and the very attenuated prestige to be derived from participation in Federal control, will not compensate for the demand made by the Federal Exchequer for the Administration of the Colonies. In such circumstances it is illusory to suppose that adequate funds would be provided for Native Education, medical aid, and improvement in the Native standards of life.

Though war expenditure will have ceased, the maintenance of the proposed Federal Land, Sea and Air Forces will take its place, and among the uncertainties of the future the forecast is incontrovertible that when the war ends belligerents and neutrals alike will find themselves over-burdened with debt and the cost of reconstruction, and

confronted with an economic crisis probably more severe than they have ever experienced.

Unless we accept the hypothesis that after this war there will never be another in Europe, it would be dangerous to entrust the retention and defence of the Colonies and their sea-ports to a Federal Council, especially if it included representatives of the present aggressor Nations. Recent experience has shown the possibility of "Fifth Column" activities and the mistake of the well-meaning persons who were prepared to restore her Colonies to Germany.

Each of the Colonial Powers has a Ministry (or Department) for Colonial Affairs, consisting of a very large and highly trained staff, thoroughly acquainted with the conditions of each Colony by lifelong service. They are the inheritors of a long tradition and act as Advisers to the Minister for the Colonies, who in turn is responsible to Parliament. This expert and costly machinery supervises the local Administration of the Governor and his trained Staff in each Colony. To improvise the organisation which is to replace it would be impossible, and to create it would take many years during which the service at Home and Overseas would be completely disorganised.

The proposed Central Secretariat would be the epitome of all the Colonial Ministries or Depart-



ments of the Federated States—a truly colossal organisation exercising unprecedented patronage. By whom will the Heads of the principal branches be chosen from among the various national candidates, and to what discipline will they be amenable? How will the cosmopolitan overseas staff be selected and trained? Among divergent policies and methods who will determine which shall be adopted by the instructors?

The Federal Exchequer will have to provide the funds to maintain the very costly Secretariat, and the training and technical establishments for the Staff, hitherto borne by the several Colonial Powers. It is suggested that these Powers should contribute the funds formerly expended on their Ministries, but is it reasonable to assume that they would be willing to bear any special burden for Colonies of which they had been deprived?

*Centralised Administration not Workable.*

Some of the advocates of Centralised Administration have realised that its application to the sixty or seventy Colonies of four or five nations with different traditions and policies is impracticable, and now substitute Federal Control of National Administration. This means that the Federal Council would exercise final authority

in matters of policy; to which the National Government must conform. They propose that Inspectors should be sent to visit the Colonies and see that the local Government obeys the instructions of the Council. The essential principle of democracy that the Executive is responsible to the local Legislature is thus set aside.

On the other hand, even if all considerations of national obligation and national sentiment were put aside, it is probable that few, if any, who have had experience of Administration in the Colonies, or of service in the Colonial Ministries of the Paramount State, would consider that such a scheme would, in practice, be a workable proposition.

A State which accepts Federal Control over its Colonies—viz., the right to dictate policy—while continuing to administer them, transfers its sovereignty over them without the consent of the people concerned, no less than if it had accepted direct Federal Administration. If, however, the Federal Government disallowed a local Ordinance approved by the Minister on behalf of the National Parliament of a leading Member-State, or prescribed a policy from which it dissented the Union could not enforce its authority by armed force or economic sanctions, and must choose between the disastrous alternatives of

expulsion of the dissident State, or permitting its secession. The exploitation of Colonial resources without the safeguard of individual national responsibility would not improbably be found to be incompatible with Native interests.

Though international intervention in any form would meet with strong opposition, there would be less objection *in principle* to the proposal to extend the Mandates system to all Colonies, provided that the supervision exercised by the Federal Council excluded—like the Mandates Commission of the League of Nations—any authority in regard to Administrative policy. The general principles to which Member-States might be invited to subscribe would take the place of the League Mandate, and would involve only a comparatively insignificant cession of Sovereignty. It must be noted, however, that a British Premier (Mr. Baldwin) refused to consider the proposal in 1937 on the grounds (*inter alia*) that it would be resented by the inhabitants.

*“Equal Opportunity” in Colonies Only.*

The British Foreign Secretary informed the League Assembly in September 1935 that “the view of H.M.’s Government is that the (Colonial) problem is rather economic than political or

territorial". It is not, therefore, by transfer of political control, which would retard or destroy the progress made under national auspices, that a solution must be sought. It lies, the British Minister considered, in acceptance of the principle that a Colonial Power should exercise no exclusive privilege in the Colonies. Its acceptance should not involve any pledge as regards the policy adopted in the Home market.

The object is to secure, as far as possible, for the trade of the whole world whatever economic advantage accrues to a State in administrative and political control of a dependency, while safeguarding the interests of the native peoples and the local revenues on which good government depends. To ensure observance of the pledge the Colonial Power must further agree to supervision—strictly limited to Colonial economic policy—by a Standing Committee of the Federal Council, similar to the Mandates Commission, without which the system would be doomed to failure, but there should be a right of reference to an agreed Tribunal. The liberal economic policy of the Berlin Act of 1884 failed in the "Congo Free State" before it became a Belgian Colony for lack of machinery to supervise its observance. The Kellogg Pact has failed for the same reason.

The diminution of sovereignty involved in the consent to supervision would meet with less opposition than the complete cession demanded by Federal Control. Success, as with the Mandates Commission, would depend on world opinion invoked by the publicity given to its proceedings, and not on force, which in practice could not be applied to a Member-State. If the nations which control dependencies learn from this war that the more generous policy of giving access to Colonial resources is better than exclusive national privilege and "economic self-sufficiency" and that it will remove a cause of friction and unrest, they may perhaps accept this broad definition of a new objective.

The Standing Committee would, in consultation with a representative of the State concerned, examine any apparent infringement or disregard of the Commercial Equality pledge, and any allegation of contravention whether made by any State or any interested person. The attention of the State concerned would be drawn to the matter and in the event of failure to agree reference could be made to an agreed third-party, but relying on the coercion of public opinion there would be no attempt to dictate to the National Administration. The exclusion of a Colony which was nearing the stage of autonomy might be permissible.

The constitution and functions of the Committee will be discussed in a later paragraph.

*General Principles of Policy.*

The Federal Constitution should, it is suggested, include such general principles of Colonial policy as are agreed by the federated States to be fundamental. The relevant clause—viz. the Federal “Mandate”—would embody the maximum collective agreement attainable (including the scope of the definition of Equal Opportunity and federal supervision), and would in the first instance be such as no Member would find difficulty in accepting. Additions or alterations could later be discussed in the Federal Parliament. The limitation of federal supervision to the observance of the economic pledge would, of course, in no way restrict freedom of debate, though the National policy would remain unfettered.

The principles deemed to be fundamental might perhaps include (a) Prohibition of racial or religious discrimination, with adequate facilities for all sections freely to express their views. (b) Assent to the principle of Article 22 of the League Covenant that control of subject peoples is a sacred Trust, with the ultimate aim of enabling them progressively to manage their own affairs.

(c) Acceptance of such of the I.L.O. Conventions regarding the employment of Native labour as are applicable to the Colonies. (d) Acceptance by Colonial Powers of the general principle of "Equal Opportunity" and assent to supervision by the Federal Government as to its observance.

The last item should be subject to the proviso that it would be admissible to any State to specify any limitations to the general definition of the term, provided that they are not opposed to the fundamental principle. The policy should be to encourage bilateral treaties—which might become multilateral—between Member-States and any others desirous of recording with precision their definition of the obligations mutually incurred.

*Precedents for Colonial Free-trade.*

The policy of Colonial Free-trade, irrespective of the policy adopted by the Mother Country in other relations, was applied at the Berlin Conference of 1885 by the fourteen leading Powers of the world to the "Conventional Basin of the Congo", extending from West to East of the Continent of Africa, in the interests of the natives and for the prevention of unrestricted foreign competition. It was reaffirmed by the Allies in 1919. Monsieur Van Zeeland—statesman and economist

—who at the request of England and France endeavoured to find a practical means of rehabilitating international trade, suggested (*inter alia*) “generalising the system of the ‘Open Door’ which obtains in the Congo Basin—the general result of which (he said) it is impossible to criticise.”<sup>1</sup>

The advocates of Federal Union may reasonably anticipate considerable support for this policy among the States which it is proposed should form the nucleus of federation. Belgium after thirty years’ experience advocates the widest extension of the free trade regime in the Congo, and Count Lippens, late Governor-General, recently declared that “she would gladly subscribe to any programme based on the greatest possible liberty of commercial transactions”. The Dutch have maintained the Open Door in their Colonies since 1886, and only reluctantly resorted to protective legislation in 1933. France had led the way in the adoption of economic self-sufficiency, but in 1927 the President of the Union Coloniale, speaking in the presence of the Premier, M. Poincaré, deprecated treating the Colonies as a French monopoly and urged that they must be allowed to develop in the greatest freedom. In 1936 she became a signatory with Britain and the United States of

<sup>1</sup> British Command Paper 5648 of Jan. 1938.



the Currency Agreement which condemned the system of quotas and exchange controls (v. inf.).

*The British Attitude.*

Free-trade has been the policy of Britain ever since she ceased, in 1849, by the repeal of the "Navigation Acts", to regard the Colonies as primarily a source of profit to the Mother Country. She claimed in the memorable words of Mr. Joseph Chamberlain that "in our Colonial policy (we were) . . . trustees of civilisation for the commerce of the world. We offer (he said) in all these markets over which our flag floats the same opportunities, the same open field to foreigners that we offer to our own subjects and upon the same terms". He added that this policy was "above all in the interests of the country we administer".

The increasing hostility of foreign tariffs induced Mr. Chamberlain some years later to advocate "Tariff Reform" and "spontaneous preference voluntarily given"<sup>1</sup> as a weapon of retaliation, but free-trade held the field for another generation until the growth of the theory of "Economic Nationalism" induced H.M.'s Government to abandon it by the "Ottawa Agreements" in 1932. The new policy was approved by Parliament where

<sup>1</sup> Lord Samuel, Debate (House of Lords), July 21, 1937.

discussion was naturally concentrated on its effect on Home industries. Native interests were subordinated to those of British trade by a form of co-operation which was not spontaneous or voluntary since the local Governments were never consulted.

That British trade in the Colonies may have benefited by the new policy is not denied, but we are only concerned here to point out that the removal of causes of international friction and the interests of the indigenous peoples are even more important than profit to British textile and other industries. As regards the former Lord Samuel observed that no ill-will had been shown against the British Colonial Empire until this change of policy "because it was not regarded as a preserve for the British people, but was open to the world and held on trust". There are, moreover, many who maintain that the claim of States which do not possess Colonies to unrestricted access to their economic resources is not without justification.

Native interests on the other hand are prejudiced by restrictions on cheap goods which are often the only articles they are able to buy. Sir Abe Bailey, after a lifelong contact with Africans, declared that "the day of Trusteeship has passed, since Natives are deprived of the one thing they really desire—cheap goods from Japan". Their

interests also suffer because there is no obligation on the importer of these goods to purchase the produce which they wish to sell. The Japanese merchant off-sets his adverse balance in Nigeria by purchasing 33 per cent of the exports of Uganda (raw cotton, &c.) while supplying only 15 per cent of her imports. This is satisfactory for British trade but does not help the Nigerian peasant. A Trustee is not justified in imposing restrictions in such circumstances solely for the benefit of his own trade.

The Ottawa Agreements were due for revision in 1937, and official pronouncements seem to indicate that H.M.'s Government will not be unwilling to modify them in the direction advocated in this Tract. Sir S. Hoare announced at Geneva in September 1935, that the British Government was ready to take its share in an enquiry "upon the free distribution of raw materials among industrial countries, so that all fear of exclusion and monopoly may be removed once for all".

A year later (September 1936) the tripartite resolution by Britain, France, and the United States was signed, and later quoted by Lord Halifax in the House of Lords. "We attach (he said) the greatest importance to action being taken without delay to relax progressively the system of quotas and exchange controls with a view to

their abolition.”<sup>1</sup> Sir A. Salter, another Member of the Government, speaking with the authority of a former Director of the Economic Section of the League, expressed his personal views in these words:

“ I should like immensely to see a return towards the principle of equality of opportunity for the trade of all countries with our dependent Empire. . . . It is true that our preferences are limited to a relatively small proportion of our Colonies . . . but it is enough to destroy the great political advantage of our old historical tradition . . . which I believe was very largely both the justification and the safety of the British Empire in the nineteenth century.”<sup>2</sup>

The former official Opposition (Labour and Liberal) support the principle.

The course here suggested—first of separating the Colonial problem from that of the Suzerain State in its Home market, and then of seeking a solution of special problems by means of bilateral agreements—is in accord with the British Minister’s suggestion of “ preparing definite proposals first in one part of the field and then in another until a constructive plan for general appeasement can be devised ”.

### *The View of the Federal Union.*

Sir W. Beveridge, who speaks with authority on the aims of the Federal Union, has described

<sup>1</sup> Hansard (Lords) 21/7/37, Cols. 780 and 783.

<sup>2</sup> Hansard (Commons) 23/5/37, Col. 148.

them in his pamphlet. In the section relating to the policy to be adopted for the Dependencies (p. 10) he very strongly advocates the principle of Equal Opportunity. The object, he writes, is

“To secure effectively three aims :

(a) The paramountcy of Native interests ; (b) Equality among all citizens of Member-States for trading, access and settlement ; (c) Fair consideration of the interests of States outside the federation.”

The context is a little obscure (*vide infra*), but he writes that

“the acid test (of the acceptance of federation) is likely to come over the treatment of dependencies in relation to the trading interests of other States”,

and concludes,

“It is better that they should federate for defence and foreign policy and equal access to their dependencies than not at all” (p. 18).

The suggested limitation of the intervention of the Federal Government in Colonial affairs to the pledge of Equal Opportunity accords with one of the three principles which Mr. Ransome—a no less authority—considers to be fundamental, viz. that “the powers transferred to the Federal Government should be the minimum which would ensure effective control over matters of

common concern", from which he excludes Colonial Administration.<sup>1</sup>

*Prevention of Abuses.*

The acceptance of the broad principle that whatever economic advantages are enjoyed in a Colony by the National State should be shared by all others, would not exclude from the agreed definition such conditions—equally applicable to the controlling State—as may be necessary to prevent the abuse of privilege, such as "dumping" of surplus stock, State subsidies to shipping engaged in Colonial trade, bounty-fed exports which affect prices unfairly or create monopolies, the employment of "sweated" labour and similar practices if proved to be undoubted abuses.

Restrictions imposed for revenue purposes only, or in the interest of the natives, such as the obligation to "buy where you sell", or the grant of non-reciprocal preference in the national market, and the acceptance or refusal of international restriction of the output of particular commodities, would be matters for negotiation in bilateral treaties, or in suitable cases for debate in Parliament. Equal opportunity should apply to internal no less than to external (imports and exports) trade,

<sup>1</sup> Reprint from 'The Fortnightly Review,' 1939.

with a view to the prevention of national or racial partiality in the incidence of customs and excise, or freight-rates by land, sea, or air, or the exploitation of particular products.

*Extension of the Principle.*

The principle of equal opportunity need not be confined to questions of trade and commerce. The employment, for instance, of foreigners in the Colonial Civil Service affords opportunity for the application of the principle, since a monopoly of these appointments is undoubtedly an advantage to the youth of the controlling State. The extent to which the participation of non-nationals is practicable, and in the interests of the inhabitants, depends on the qualifications of applicants and their willingness to identify themselves with the national policy.

The monopoly of the right to sell or lease large areas of agricultural land to non-natives, and to grant concessions or licences for the exploitation of minerals is cited by the Powers which do not possess Colonies as an advantage which should be exercised without discrimination as to nationality or race. The control of European and Asiatic immigration involving the alienation of land for settlement or exploitation must necessarily rest upon the Suzerain who has accepted the responsi-

bility of guardian of the land and other interests of the indigenous peoples, especially if the local Government is not fully representative of the majority of the inhabitants. Similarly responsibility for the impartial exploitation of minerals devolves upon the Paramount Power since their development adds directly and indirectly to the wealth of a Colony and increases the revenue available for raising the standard of life of its inhabitants. It cannot therefore be dissociated from National Administration, but discrimination in either case without adequate reason should constitute a valid cause for protest to the Standing Committee.

On the other hand the migration of Natives in search of employment to or from the Colonies of Member-States in the East and in Africa, would continue to be subject to bilateral agreements as to numbers, duration of contracts and treatment. The type of Agreement made in 1936 between the State of S. Rhodesia and British African dependencies has proved successful.

### *The Federal Constitution.*

This essay is not concerned with the draft of the Constitution which will give effect to the proposed "Federation of Western Europe", and no attempt is made even to define with precision the



terms of the clauses which would deal with dependencies if the suggestions here made were accepted. Some brief comments—strictly confined to the place which the dependencies would occupy in the Constitution—are, however, needed in order to adapt, as far as possible, the suggestions made in this tract to the draft proposed by Dr. Jennings<sup>1</sup>—from which some relevant data are given in a later paragraph.

The “People’s House” of the Federal Parliament which he proposes would seem to be the most appropriate forum for discussion of “matters of common concern” in Colonial affairs, where in free debate Members representing Colonial Powers could express their views. Under the system here suggested of National Administration of dependencies (subject only to federal supervision regarding the pledge of Equal Opportunity) there would be no necessity for the creation of a “Federal Colonial Commission” endowed with almost autocratic powers which was thought to be necessary under the system of federal administration and control of all Colonies.

It is proposed that the States which possess Colonies should be represented on the Federal Council, which should appoint a Standing Committee of about nine Members. Of these a

<sup>1</sup> “A Federation of Western Europe” by Ivor Jennings. (Cambridge University Press 1940.)

majority would be nominated by the Colonial Powers—the others being selected for special qualifications by the Council. They might retain their seats for three years, but be eligible for re-appointment. The function of this Committee (as already described), would consist (a) in supervision of the observance of the pledge of "Equal Opportunity", and (b) in keeping the Council informed on any matters affecting federal policy or the general principles agreed in the Constitution.

For these purposes it would receive the annual and any other reports from each dependency, and any representations on the subject of these pledges. It would exercise no executive powers and its proceedings would be printed and published. The rules of procedure, including the decision whether its sessions should be held in public or private, and whether oral evidence should be received, would be framed by the Council subject to amendment by Parliament. There would seem to be no reason why the Members should not be eligible for seats in Parliament.

The President would appoint a Minister for Colonial Affairs who would reply on behalf of the Federal Government to questions, and make periodical reports to Parliament. He might, if thought desirable, be Chairman of the Standing Committee and a Member of the Council. It would

not be within the competence of the President or Council to annul or disallow the legislation of a dependency whether enacted by decree of the Paramount Power or by a local legislature and not disallowed by the Suzerain. If any law appeared to be contrary to the principles prescribed in the Constitution the subject could be raised in Parliament when the Minister would state the view of the Government, and such conciliatory pressure as might be possible would be exerted to establish conformity.

It would be the constant endeavour of the Federal Government to promote collaboration for the welfare of the native races in the dependencies of the Member-States, for which purpose Federal scholarships might be offered, and grants made to public or private welfare agencies such as Medical Missions or Leprosy Relief Institutions, provided that no fees (e.g. for hospital attendance) inured to private profit.

Two authoritative statements of the nature and aims of the proposed "Federation of Western Europe" have recently appeared. To the first by Sir W. Beveridge reference has already been made; the other by Dr. Ivor Jennings contains a draft of the Constitution he proposes for it.

Though Sir William is, as we have seen, insis-

tent on the adoption of the principle of Equal Opportunity he discusses the possibility of "the transfer of all dependencies to the Federal Government", and concludes that, since that course may not be practicable at present, it may be necessary that the National Governments should retain the administration of all or most of their dependencies, while giving to the Federal Government very wide powers of "supervision and control" (pp. 14, 16). I have endeavoured to show that "supervision" is not synonymous with "control" and that control of policy is incompatible with National Administration.

For the rest, after demolishing Germany's claims with scathing brevity, he concludes that "She must ultimately be made peaceful in accord with her own desires", but adds that "the inclusion of Germany in the Federation depends upon her return to democracy" (pp. 10, 24)—a very pregnant proviso. As regards the Natives, "the aim of Colonial Administration is to prepare the inhabitants to become full citizens of the modern world and meanwhile . . . their interests must be paramount" (p. 16).

Dr. Jennings' Constitution (Article XVI) provides for the nomination, by joint resolution of the two Houses of Parliament, of a "Colonial

Commission". The number, qualifications, and functions of its Members are to be prescribed by the Federal Legislature, but no Member may sit in either House. The Commission is endowed with extraordinary powers. Acting on its report the President may disallow any law enacted by a Member-State which has not transferred its "rights" (inf.) if he considers it to be contrary to prescribed conditions, and may during the first year annul any law enacted prior to federation.

The "rights" referred to are defined as "powers, privileges and immunities" (viz. the Sovereignty or "Control") hitherto exercised by a Member-State in any dependency—including territory administered under Mandate. No mention is made as to the consent of the inhabitants to the transfer of these "Rights" to the Federal Authority. If a Colonial Power does not consent to transfer its sovereignty on these conditions, it may only exercise its "rights" subject to prescribed conditions.

Representation in "the people's House" is to be proportionate to population and Germany obtains the largest number of votes. In order to attract the adhesion of the Dominions the right of secession is conceded exclusively to them (Art. 1. 5d)—a provision which may be regarded

as invidious by Continental States, and a cause of friction in the British Commonwealth.

The draft Constitution makes no mention of any franchise rights of the 'inhabitants of a Dependency' (whether European or Native, or 'federal citizens' or 'federal protected persons'). By Article IX the 'federal electors' are elected 'from each federal State', which 'does not include its dependencies' IX (6). That they have no franchise rights is made clearer by IX (4) and in Dr. Jennings' book where the apparent object is to exclude natives since the reason assigned is that their vote would swamp that of the State federal electors. If the intention is to discriminate on account of race or colour it would be opposed to British policy. The difficulty is a real one and cannot be evaded on the plea that they are not represented in the State Legislatures, for they have seats on practically all the Colonial Legislative Councils. This dilemma affords a further reason for excluding the dependencies from federal control. I understand that Dr. Jennings has now modified his views.

I fear that this method of dealing with the problem, which differs fundamentally from that suggested in this pamphlet, will endanger the acceptance of the Federation project.

# TRANSPORT AND COMMUNICATIONS IN A FEDERATION

*By* GILBERT WALKER.

## I

TRANSPORT and communications are industries in which, inevitably, governments have taken an increasing interest. The property is often owned by the state outright, and the service operated as a public enterprise—post offices universally, telephones and telegraphs most usually, railways in many European countries, canals and, of course, the highway itself. Railways, where they are left to private owners, as in this country and in France up to 1938, have been controlled by the state from the first. This control is now being extended to include their chief competitors, carriers by road. The regulation of transport and communications has been accepted these many years as one of the necessary and important powers of government in the modern state. Other writers in this series will consider it exaggerated to claim that transport and com-

munications are the cement which binds federations together—but these services are at least the reinforcement without which the structure cracks when subjected to shock. The United States of America owes its unity as a continental state as much to the dozen or so railroads which join east to west across the Mississippi and the Rockies as to Abraham Lincoln; the nine Provinces of Canada have been successfully welded into a Dominion because Atlantic and Pacific were linked first by the Canadian Pacific and later by the group of lines now known as the Canadian National Railways; and no citizen of Great Britain needs to be told of the dependence of the British Commonwealth on its sea communications. Transport and communications are vital to the political stability and life of a federal union. In common with all governments, a federal government must itself assume powers of control at the least within the narrowest sphere of federal interest, transmission and transport between the states members—communications and traffic now international. This exercise of power is forced upon any government with pretensions to sovereignty, however unwilling it may be to interfere with industry generally. Beyond this, there is another and more difficult



question. Is authority over transport and communications within the states one of the powers which must be surrendered to the federal union, or can it be left among the residual powers of states entering the union? This, it will become evident later, is the real problem arising out of the discussion of transport and communications in the federal state.

## II

The transmission of words, the posts, telegraphs and telephones, is usually, in contemporary Europe, state owned and state operated. Communication between countries is already admirably organised by the Postal Union. International postal and telegraph services are hardly less punctual and reliable than the corresponding domestic services, and telephone connections crossing national frontiers are (or were) becoming increasingly frequent and easy. Within the area of federation, the functions of the Postal Union would naturally be assumed by the federal power; and it is an obvious corollary that, in the interests of easy and reliable interstate communication, the federal authority should have power to coerce local post-offices in those cases in which the Postal Union now can only persuade. On entering into

a federal union it would indeed be most convenient if the administration and ownership of posts, telegraphs and telephones were to pass direct to the federal power. Subordinate authorities would have nothing to gain from ownership of the property if the control had passed out of their hands. At the same time, the union would acquire an instrument of great value as propaganda. The presence of a federal post-office in every town and village throughout the area of each state member would materially emphasise the reality of the union to local populations. The ownership and control of broadcasting stations raises another and vexed question, one which cannot be pursued here. The freedom of broadcasting, like the freedom of the Press, is a fundamental constitutional issue. It should not be prejudged, by the way, in a discussion of transport and communications in the federal state.

### III

The international organisation of transport services proper, the carriage of freight and passengers by railway, road, water and air, though not as comprehensive as the Postal Union, has already made considerable progress. Persons and

companies operating sea-going vessels have been international carriers for centuries; freight is now regularly worked through by railways from one country to another; and tourists and travellers cannot have failed to notice the great number of international trains provided for their convenience and comfort. Owing to the fortunate insularity of British contractors, main railway tracks from the Pyrenees to the Russian frontier were laid to the same gauge, the standard 4 feet 8½ inches. Railway administrations, unlike their governments, have worked increasingly closely in collaboration, and comparatively minor adjustments between one national area and another should be enough to standardise equipment and operating practice over the greater part of Europe. Left to themselves, and without the periodical disruption of through services and international connections caused by wars, operating men could produce with all reasonable dispatch a system of communications crossing national frontiers as easily and freely as services within any one nation state pass from one local government area to another. The working of transport services is the function of technical experts, and is unchanged by the form which national and international organisation takes at the time. Impediments to the free movement of

persons, property and goods across national frontiers are political in origin, and not technical—customs houses, passport examination, and variety of safety regulations, not breakages of gauge and dissimilarity of operating mechanism. Once political divisions are removed, differences of operating technique will not be an obstacle to the reorganisation of transport within a federal state. Nor is the form of ownership, whether public or private, corporate or individual, a matter of prime importance in the formulation of federal policy. Since the formation of the S.N.C.F. in France (*Société Nationale des Chemins de Fer*), state ownership of railways is the most usual. Private ownership, except on a relatively small scale, remains only in Great Britain. Ships working coastwise (and “coastwise” around the continent of Europe from Petsamo to the Mediterranean includes voyages more properly described as ocean passages), are generally privately owned. Most countries now have one or more shipping companies which are heavily subsidised, and there are other forms of state support, as, for example, our own subvention to tramp shipping. Inland waterways, canals and rivers, on the Continent at least, have commonly been constructed at the expense of the state, and are main-

tained and improved by some public authority. Often, as in France, no fee or toll is charged for their use. Airways are everywhere a direct interest of the state, and commercial calculations, considerations of traffic, revenue and costs, have not weighed heavily with the departments or authorities charged with the institution and running of the services. Motor transport, though the vehicles run over a public highway, is otherwise privately owned and privately operated. It may be subject to strict control, as in Germany, or a general but passive legal supervision as in this country. The size of the unit varies in every degree from the driver operating his own van up to concerns owning large fleets. Ownership is complicated by the fact that not all operators are highway carriers only. Railways are large owners of motor vehicles. In Great Britain railway companies have acquired controlling interests in the bus companies; in Germany, the whole road carrying business is closely integrated by the Reichsbahn. The majority of vehicles, too, are not owned by public carriers at all, but by firms who use them, mainly or exclusively, for carrying their own goods.

The significant fact for federal policy is not who owns the property nor who operates the

services, but who supervises and controls the rates and facilities of the carrier. The power to regulate is sovereign, over-riding both rights of ownership and the authority of the operator. It is immaterial whether transport is owned and operated by the federation, by the state, or by private citizens. The ultimate power is in the hands of the authority which lays down principles of rate-making, determines rates, decides what service shall be provided, and settles the terms upon which owners and operators conduct their business.

#### IV

Railway rates and charges, in all countries of the world, have two peculiar economic characteristics. Rates are not determined by the costs of carrying a particular consignment of goods, nor by the costs of working traffic over a particular line. Rates are adjusted to the gross costs of working the system as a whole. The general overhead charges of the organisation (and overhead charges are an uncommonly large part of railway costs) are normally distributed between the different classes of freight, broadly according to the market value of the goods—the principle of charging what the traffic will bear, rather than what the

service has cost. Second, far more railways have been built in the past than were economically justified, even at the time of construction. Since then, industrial change and the growth of alternative services have aggravated the original oversupply. Thus many lines, probably the greater part of railway mileage taking western Europe as a whole, are being operated which do not pay in the ordinary commercial sense, and which possibly never have paid. Imagined strategical necessity, the vested interests of users, and the ascription of a social value offsetting financial loss, have combined to prevent abandonment of unprofitable services, and the lines have been kept in operation.

It was usual, in the nineteenth century, and in Great Britain, for private companies even to operate branch lines "at a loss", on account of their value as "feeders"; and it has been general in continental countries, where the social necessity or strategical importance of railways is thought to outweigh the economic balance of revenue and cost. In 1921, the rule was adopted in Great Britain, and in principle also in the United States of America (Transportation Act of 1920). In each undertaking, whether the four privately owned amalgamated companies of Great Britain, or the

state-owned Reichsbahn in Germany, paying properties have been combined in one organisation with those making a loss. One, or a limited number of rate schedules is applied over the whole national area, adjusted to secure a balance of net revenue, either to each undertaking as in Great Britain, or to all combined, as in France.

Railways do not have an effective monopoly of transportation. There have always been competing services, coastwise, ocean shipping, and inland navigations. There are now airways, and most important of all, road motor transport. Current control of railways presumes and recognises monopoly. The important and outstanding characteristic of these other transport services, particularly road, is this, that except when forced into a strait-jacket of regulation, they are internally competitive, besides competing with the railway. Left free from government control, the price of road transport is determined more or less by the costs of carrying the particular class of freight, and by the costs of working vehicles over that particular route. This is true both of public hauliers and private carriers. It is no more than the usual behaviour of prices in a normally competitive market. Each freight, and the service over each route, has to be self-supporting—the



rate charged in the one case, and the scale of rates ruling in the other, must at least cover the cost of carrying the freight, or of working the service. Road competition is undermining the whole edifice of state regulation of railroads erected up to the present. Highway carriers compete for traffic most vigorously where it pays best, and avoid the worst paying freights. They cut into the net revenues of prosperous lines and make no contribution to the deficits of the others. The growth of road transport during the decade before the war made the position of railways so precarious that governments have been driven to place countervailing regulations and restrictions on highway carriers both public and private.

## V

Competition between a great number of highway carriers, and a few large railways raises the question of the general pattern of transport charges in the future. This question is not peculiar to federal organisation. It is one which rises just as urgently in the nation state. The point at issue in both, broadly, is whether transport charges and the organisation of transport undertakings are to follow the example set by railway rates,

and the practice of railways in the past, or whether the opportunity presented by the widespread growth of road transport is to be taken, and the best use made of small-scale organisation and competitive services. The characteristics of railways, rates discriminating against the more valuable goods, the uniform schedule of charges, and the combination of prosperous and unprosperous lines, are the products of monopoly and monopolised organisation. If these features are to be continued into the future, road carriers must be taken into the monopoly, or required to charge rates and base their services on the same general plan as that prescribed for railways. But if the trading public is to gain full advantage from progress in the technique of transport, carriers by road should be kept free from monopolised control. This means that the regulation of railways, their rate-making practice, and their organisation, must be completely remodelled to conform with the competitive structure of the road transport business. This is an immense task, and a change which, in the opinion of the majority of the experts (the present writer does not include himself), has disadvantages greatly outweighing the gain from competition among many small highway carriers. On this point, this paper

has little to say. It is a subject demanding a considerable space, and one requiring much research into the variety of economic conditions to be observed among the several constituents of the proposed Union. The issue has been examined at some length elsewhere. There it was argued that in this country at least, the balance favoured the competitive solution, if a practicable scheme could be devised.<sup>1</sup>

Federal structure complicates, but does not fundamentally alter this problem. Federations and sovereign states will both have to resolve the embarrassments and difficulties, financial and administrative, in which railways and transport authorities have become enmeshed as a result of this competition. The difficulty peculiar to federal organisation comes up because, to enforce its control over international traffic, the federal authority must also control local railway rates; and because control over local railway rates in the heavily industrialised countries of the West is ineffective if road transport is left free.

Federal authority, limited originally to the regulation of through international traffic on railways, is inevitably forced to extend its control

<sup>1</sup> See the author's *Road and Rail—an Enquiry into the Economics of Competition and State Control*.

to include traffic local to the former national areas. Local railway rates are brought within the sphere of federal control by their close integration with through rates. Road services must be included because the level of road charges is becoming an important item in local transport costs. International traffic is still rail- or sea-borne. Federation may, almost certainly will, give road carriers greater opportunity of extending their operations across national boundaries. For the present, carriage by road is predominantly local—its scope is confined within political frontiers. This does not remove road transport rates and services from the ambit of federal supervision. Competition locally between road and rail directly jeopardises the supremacy of central control. The effectiveness of the challenge depends upon the relation of the costs of transport by road to the level of (local) railway rates. Because of this, federal authority has as close a concern in the control and determination of the costs of road carriage within each of its subordinate political units as it undoubtedly has with national railway rates, and all other transport charges for that matter. If federation is to be economic as well as political, federal authority must override the powers of the states to determine transport

charges, rail and road, as necessarily as it must in decisions upon fiscal policy. Manipulation of transport rates, though not so usual an instrument for diverting the course of international trade, is nevertheless a ready substitute; and local control of transport charges within the former frontiers could be an effective weapon at the disposal of a state government which wished to favour this or that local interest in defiance of federal commercial policy. This issue was decided in the United States in favour of the federal government in the Shreveport Case. The State Railroad Commission of Texas established rates on *intra*-state traffic less than those determined for *inter*-state traffic by the Interstate Commerce Commission. The I.C.C. refused to allow railroads coming within its jurisdiction (and with negligible exceptions, all roads in the United States do carry traffic in interstate commerce, traffic, that is, booked through from one state to another) to charge such rates. Its authority was upheld by the United States Supreme Court. The right of the federal government to control rates on local traffic was thus affirmed as the necessary extension of the power to regulate through traffic passing between the states conferred by the Interstate Commerce Clause of the Constitution of the

United States. With road transport free from federal control, there is the danger that in countries such as Great Britain, where railways are privately owned, and national sentiment not the most favourable to state regulation, competition between rail and road might be allowed to proceed. The stability of railways charging rates according to principles determined by a federal power would be jeopardised on the one hand, and on the other, the British trader would be afforded the advantage of low transport costs to the detriment of his continental competitor. In Germany or France, for example, where railways are owned by the state, a deficit on railway working is a drain on the national budget. In the former, road transport is confined within very narrow limits and required to charge railway rates. The German trader is thus unfavourably placed to withstand British competition, a consequence which would powerfully support a demand for differentials between rates on export and import traffic *in Germany* removing the prejudice. Within this ground, there lie the seeds of economic friction between the constituent states of the federal union, only less violent than the tariff wars which flourished during the interbellum.

Canada and the United States of America are

the two federations in which circumstances have been most favourable to the development of motor transport. The experience of both shows how ill-defined are the respective spheres of control, no matter how sharp the line dividing the jurisdiction of state and federal authority. In Canada, railway rates, both on traffic "through" from one Province to another, and on traffic local to the Province, are subject to review by the Board of Railway Commissioners, the creature of the Dominion Government. The Provincial Governments have no voice in the determination of rates even within their own boundaries. Railways, and railway finance, are entirely the concern of the Dominion. But the construction of highways, the levying of duty upon highway carriers, vehicles and fuel, and the control of road transport are still the responsibility of the provincial authorities. No appropriate or effective systems of control have yet been instituted. The topic is still being urgently discussed.<sup>1</sup> The Dominion, the federal authority, is interested because road transport within the Provinces is adversely affecting railway finance; the Provinces are interested

<sup>1</sup> See, for example, *Report of Royal Commission on Transportation, Province of Ontario* (Chevri r Report) (Toronto, Ont. 1935); and *Report of a Survey of Transportation in the Province of Nova Scotia*, prepared for the Nova Scotia Economic Council by the author (Halifax, N.S. 1940).

because highways and highway transport absorb and provide the greater part of their expenditure and revenue; and the trading public is interested because road competition is disrupting relationships between transport charges which are regarded as part of the constitutional settlement. The favourable rates given to traffic in and from the Maritimes during the period of direct government operation of the Intercolonial Railway (Montreal, P.Q. to Halifax, N.S.)—the construction of which was undertaken to fulfil a promise made to the Maritime Provinces at the time of Confederation—were specifically continued in the Maritime Freight Rates Act of 1927. Now road transport in the Province of Ontario, for example, by reducing the cost of transport there relative to railway rates in the Maritimes, is depriving shippers in those Provinces of an advantage in rates to which they are legally entitled, to compensate for their remote situation. Thus a matter which seems at first to be an entirely provincial concern, the costs of carriage by road in Ontario, in fact raises a fundamental constitutional issue, the terms upon which the three Maritime Provinces participate in Confederation.

The regulation of road haulage in the United States was until recently the preserve of the



States. Their rights extended only to *intra*-state traffic—the control of traffic and transport *inter*-state by road and by rail is the prerogative of the Federal Government. By the early thirties of this century, with few exceptions, each one of the 48 States had authorised its state railroad or public service commission to exercise some degree of control over highway carriers within its boundaries and a minority had evolved bodies of rules as complicated as those governing railways. For the most part, this legislation was on paper only. It was not being enforced, even on traffic *intra*-state; and it was thus doubly ineffective as an instrument for controlling *inter*-State traffic. In 1935, the Motor Carrier Act was passed by Congress, giving the Interstate Commerce Commission wide powers over *inter*-state movements of freight by road, but none, of course, over traffic local to one state—Congress cannot delegate such powers, since it does not possess them under the Constitution. So far, much of the time of the Motor Carrier Division of the I.C.C. has been taken up with organising itself for the immense task of controlling over three million separate enterprises and with registering that enormous number as carriers over *inter*state highways. But it has recently undertaken the determination of rail,

water and road rates on traffic for which the three are actively competing. This indicates that the I.C.C. will be driven to assume the same powers overriding decisions of state authorities in road rate cases it has already acquired in railroad dockets. Competing services by road can hardly be ignored just because the haul does not cross a state line! When this does occur, the Federal Government will be far more deeply involved in state politics even than it is now. It will find itself interfering with highway policy, motor vehicle and fuel taxes, and wage regulation, at present the domestic affairs of each State.

## VI

It is comparatively easy to decide upon the general principle, that the control of transport and communications comes within the province of the Federal Government, and cannot be left to the states. It is less simple to formulate a practicable scheme of regulation embracing transport services other than the railway. The federation exercises final control; but it need not overlook every transport service. There are many which do not run outside local boundaries, and have no more than a local interest. Municipal services are an

obvious case. With large political subdivisions, such as will be found in a federation of western European states, traffic carried over a wider area is entirely local in character, and not of vital interest to federal policy, except only in this, that the rate is part of the general structure of federal transport charges. Not every proponent of federalism will be willing to admit that federal authority has any great interest or concern with the services of small road hauliers operating between Manchester and Leeds, with buses running from Royan to Angoulême, with traffic by postal diligence in the Black Forest or the Tyrol, or with the cost of travelling from Östersund to Uppsala. But rates on services even so "local" may be part of a "through" rate, or may compete with one and so acquire a federal interest. When railways were the only means of carriage for all traffic outside the range of a delivery service, or at least still retained a practical monopoly, local services could be left to local control, without imperilling the stability of the greater union. But the growth of competition between rail and road has had consequences reaching out far beyond local boundaries.

The federal government must secure the effective control of *all* rates and services—it would not be

enough to subject public carriers alone to regulation, and leave free private carriers (firms carrying primarily their own goods). Control cannot be exercised over private carriers directly, unless the federal authority is prepared for the extreme of forbidding private haulage altogether, outside the range of a delivery round. The effectiveness with which private firms operating their own fleets can compete with railways and other public carriers depends in part upon the costs of carriage by road and the degree of restriction to which the others are subject. It is indirectly, through the influence which government exerts upon a road carrier's costs by means of taxation of vehicles and fuel, that the federal authority can enforce its control over the services which firms, carrying their own goods in their own vans, provide for themselves.

Police regulation of highway carriers—speed limits, maximum loads, widths and lengths, lights, hours of work, licence duties and so on—are all questions which, however unexpectedly, competition between road and rail brings within the field of federal interest. In the United States, for example, where there is as yet no federal oversight, dissimilarity in detail between the regulation enforced in one state and another places obstacles

in the way of the movement of traffic passing interstate by truck. Contrary to the intention and the letter of the Constitution, states of the Union may and do provide domestic interests with a measure of local protection by deliberately selecting and enforcing rules of construction and use giving the maximum of difference with the practice of adjacent states. To enforce its authority over traffic and transport generally, the federal power must have the right to determine upon motor taxes and highway policies and also upon the exercise of the police power over the operation of motor vehicles in the interests of public safety. This is a supervision descending to the details of domestic policy—and federal interest has become deeply involved in local affairs indeed.

## VII

The plan most simple for federal authority to administer is the one which stands the best chance of success. This is clearly that requiring the least exercise of power by government, federal or otherwise. The minimum of industrial control by government demands the maximum by competition. But railway undertakings are relatively so large, and their organisation by now so thoroughly

monopolised, that it is difficult indeed to suggest the principles upon which the transport market should be reorganised in order to leave the maximum of control to competition (chiefly of course between rail and road), the minimum to the state. The outline of a possible scheme, worked originally from data obtained in the United States, but adapted to allow for the characteristic features of traffic in Great Britain, has already been published.<sup>1</sup> The essentials of the scheme are, first, the disintegration of railway systems as single *accounting* units. Unity of operation need not and should not be disturbed. A balance between revenue and (out-of-pocket) expense should be struck for each separate *line* of railway. The overhead of the systems, of which each line is a constituent, continues of course to be carried as it is now, on the larger net revenues of the best paying lines. Rates on traffic conveyed by any line are to be determined in competition with road transport. To prevent combination, highway carriers should be freed from restriction, and bound only by the exaction of a suitable sum in taxes. Lines which cannot earn revenue enough to cover even out-of-pocket costs should be

<sup>1</sup> See the author's "Road Competition and the Regulation of Railways", *Economic Journal*, 1956.

abandoned, and the working of the route left entirely to road transport. Certain safeguards are still needed to protect the public interest against exploitation on the part of the best paying railway (and road!) properties. Special circumstances surround mineral and coal traffic—but it is one of the advantages of this plan that it allows the maximum of freedom from regulation for all competitors. The scheme cannot be worked out in detail. The essential data, revenue from traffic consigned from or to points on each separate line (in Great Britain) and the direct costs of working, are lacking, and no indirect measure can be devised from the published statistics.

This scheme, reducing regulation to a minimum, and diminishing the complication of federal interference in local affairs, presupposes certain conditions and has certain characteristics which make it unsuitable for application over the whole of continental Europe. First, road competition must be active and vigorous. Where it is not, the railways retain their monopoly, and control must be continued. There are many parts of Europe, some even in Great Britain and in Germany, where this condition is not fulfilled. The available traffic is not great enough to attract the “many”

road hauliers on whom the success of control through competition will depend. Second, where traffic is small and working costly, railways do not pay, and the line should be abandoned. Were this plan to be carried through, large areas, particularly in those poorer countries in which railway budgets are already in deficit, would be deprived of railway service altogether. Railway mileage, even in a country such as France, would be drastically reduced. The threat of this policy would hardly commend the idea of federation to the countries most affected. Abandonment could be avoided by state or federal subsidy; but the provision of transport at less than cost is not compatible with a stable competitive market, and in any case, calls at once for federal control over the dimensions of the subsidy and the assistance given to reduction of rates. Third, it is an essential of the scheme that each traffic route is to be self-supporting. Rates per ton per mile, far from being uniform as now (for each class of goods) over areas as wide as the nation states, will vary considerably from one route to another according to the weight of traffic passing, and the operating characteristics of the line. On the whole, wealthy and heavily populated regions producing large masses of freight and many passengers would get the lower



rates; and the poorer and sparsely populated, where traffic is light, would get the higher. This result runs counter to the principle universally adopted since 1921, of deliberately making the more prosperous lines support the less, providing transport in districts or countries served by the latter at less than cost. It is very doubtful whether a federation would wish to add to its initial difficulties by proposing a change in the contemporary organisation of transport as fundamental as this. The disturbance of the current channels of trade would be serious enough in a country such as Great Britain, where the competition of cheap motor transport has already produced some spectacular changes in relative costs of carriage. But the shock would be profound in countries which still rely primarily on an (unprofitable) railway service, and in a country such as Germany, in which the system of railway rates has been preserved as the basis of transport charges by measures intended to protect railway traffic against the impact of road competition.

This paper does not attempt to do more than exhibit the bare outline of the problem—the writer has no final programme to urge. But he has said enough to show, he hopes, that the dilemma for federal policy is acute. There is no

practical alternative to regulation—the underlying conditions of a system of transport which could be left free are unacceptable. Control over international traffic is an essential power which the federal authority must have; and to make its power effective, the federal authority will have to interfere widely in the domestic affairs of the constituent states. The transport problem of a federation thus becomes a question of the degree of supervision over local practice which is to be given the federal authority in order to support its general control of transport throughout the union. This is an issue more political than technical, more concerned with states' rights than with the economics of transport. It is clearly a problem which cannot be decided in advance, since the degree of control invested in the federation itself will depend upon the closeness of the union proposed. A union in which the constituents forgo economic sovereignty demands a much closer supervision of international (and domestic) transport than one in which political sovereignty alone is surrendered; and in a union of the former sort, the greater degree of federal interference would both be tolerated and desired. In a looser type of organisation, control over domestic transport might be retained by each state; and the powers of

federal authority confined to arranging for the exchange of traffic between one national transport system and another. This avoids the very real difficulties involved in the exercise of a federal control over the diversity of economic conditions found among the different national transport systems of contemporary Europe. The function left to federal authority, similar in kind but on a much vaster scale to the services performed by the Postal Union, would have an importance which should not be depreciated. It would act as an international clearing house, facilitating the interchange of traffic, and ensuring the most rapid progress towards uniformity in operating practice. But an international organisation which allowed its members freely to determine their own domestic transport policies would hardly be bound more closely than one which permitted fiscal autonomy. It would be a "union" in the sense in which the British Commonwealth is an international unit, certainly not in the completer sense in which the United States is "united". For that, the central authority must have the power to override and direct local control, and to interfere in local affairs to make federal control effective.

## VIII

Discussion has been mainly concerned with consideration of rail and road transport, to the exclusion of other means, ocean and coastwise, canal and inland waterway, and air. Competition between rail and road is the dominating transport problem of the Western world and likely to remain so. Water carriers, whether by sea, or passing along inland navigations, can readily be fitted into any scheme which may be devised for resolving the more intractable problem of road and rail. Water competition, unlike road transport, is limited to certain classes of freight, and confined to certain routes. Allowance is regularly made in railway rate schedules, and the adjustments are reasonably satisfactory to all parties.

There remains air transport. Airways, here taken last, may not be the least in future. American experience, however, indicates that though the aeroplane can be a powerful competitor over the longer distances for passengers and the mails, it is not yet to be seriously regarded as a carrier of freight. The federal state has nevertheless a powerful interest in airways. After the experience of the immediate past, and even more of the present, no sensible man will accept a scheme which

does not vest the complete and unalienable right to own, control, and operate aeroplanes exclusively in the hands of the federation. There is no particularly strong economic case for this conclusion—it is one in which military danger outweighs all other considerations. The aeroplane has shown itself, in contemporary Europe at least, far too dangerous a toy to be entrusted to the constituent states, lest some be tempted again by pride in their adolescence.

Civil aviation in each country of Europe has been concentrated in the hands of one organisation, often state owned and always state supported—the K.L.M., Air France, Imperial Airways, Deutsche Lufthansa, SABENA, and so on. None of these national services paid in the commercial sense, and all received state subsidies. With the exception of Great Britain, the (geographically) large countries gave their national operating company a monopoly of internal services. The national companies competed for international traffic, subject to regulation by the governments over whose domain the 'planes were flown.

For strategical reasons, and to inflate national prestige, the network of services was carried beyond the confines of Europe. Imperial Airways and the K.L.M. linked their respective Empires

with the European centre; Air France traversed the South Atlantic; and the Lufthansa operated (and does still) extensively in South America, either under its own name or thinly disguised. These extra-European services were carried on by subsidies given by the metropolitan government and the proceeds (if any) of domestic monopoly; and in other continents such as South America, Africa and Asia, European operators are competing also with domestic services, or services flown by companies based on the United States.

Federal policy should be directed immediately to securing the exclusive right of ownership and operation for an administration completely subject to the federal government and owing no allegiance to subordinate authorities. There can be no two opinions about the necessity of this. Operating ratios are such that this administration, however well run, is unlikely to make both ends meet, or at least, not for some considerable time. Thus, as far as domestic air-transport within the frontiers of the federation is concerned, formulation of federal policy revolves round the question of subsidy—how extensive a network shall be flown, what cost shall be incurred to keep equipment up to date in face of the great strides constantly being made in aeroplane design; and from whom,

and in what form, the sum required shall be raised—discussion which takes the argument away from the economics of transport and leads towards fiscal policy.

Services connecting countries within the federation and their neighbours on other continents will presumably continue to be flown by the federal administration even though the traffic does not pay. Many of the reasons now inducing governments to support services between their territories and foreign parts are unobjectionable politically and may be found convincing by federalists. But what of services, such as those flown wholly within South America by European operators, which do not touch, at any point, territory within the domestic country? Economically, air-transport is only one branch of the carrying trade; and the carrying trade always has been one in which the goods of one country are carried in the bottoms of another to markets in a third. Subsidies to transport undertakings are not confined to airways. Maritime states are now accustomed to support their ocean and tramp shipping. Government help for international carriers is competitive in origin and arises out of commercial rivalries between states. Federation removes the reason for the subsidy—it is in any case unthinkable

that a federal union should wish to support services wholly outside its boundaries for the same reasons which now animate governments giving the subsidy. Economic considerations alone do not weigh on the side of a continued subsidy except perhaps, temporarily. But is there any *good* reason of federal foreign, or commercial, policy which can be urged in favour of a subsidy out of federal funds to maintain services wholly over foreign territory, in competition with domestic or other exotic and subsidised concerns? None is obvious to this writer.



## FEDERAL STATES IN EUROPE

By H. R. G. GREAVES

ON federalism, as on most other problems of political science, Europe is a grand laboratory of political experiment. It has seen so many federations that it would not be surprising if we had more to learn from them even than from the United States of America and the few other English-speaking federal states which in the last century have been so largely moulded upon the experience of that great federal republic. It would be unwise, therefore, if we were to allow familiarity with these last federations, which speak our language and use our constitutional forms, to restrict our field of study, closing down one part of the store-house from which ideas for the future can be drawn. Particularly if we are concerned with the future problem of uniting Europe ought we to remember that for many Europeans the past history of Switzerland, the Holy Roman Empire, the Germany of 1848 and 1918, the United Provinces of the Netherlands, the Soviet Union, the Spanish Republic of 1931, of the Austrian Republic of 1919, may seem of greater relevance than the

constitutional development of the United States or of the British Dominions.

Europe's present history may well be significant too. By its very negation of union, the Europe of 1939, with its twenty-six sovereign states, in theory equal and in fact more or less defended against one another, may well have its own special lessons to teach. Already by the beginning of 1941 those twenty-six sovereignties were halved, three having been absorbed by Russia, nine by Germany in name and four or five more in reality.

It is even possible that the future historian, when he deals with the present agony of Europe, may ascribe to it an important unifying influence. To the need for common defence against an aggressor, now proved by the consequences of its absence, he may add the experience of combination—brutally enforced and for barbarian ends though it be—as a further factor in the promotion of union. Integration brought about by an invading army has played its part in the federal story of Switzerland, Germany and South America. Lessons of co-operation learnt in suffering may be applied in peace. London itself has become a centre of European free governments.

Here, however, we are concerned with the federal experiences of certain limited areas of

Europe in the past. Since it is impossible in this space to cover a ground that extends back to ancient Greece, the most we can do is to look briefly, and in an introductory manner, into certain selected examples.

### *Switzerland*

A federal system which has endured for six and a half centuries, emerging stronger and more united than ever at the end, might be expected to have much to teach us. Its age and success, at least, augur well for federalism. Five hundred years older than the United States, the Swiss Confederation has seen the rise of many more dangers of disruption from within or of destruction from without. These threats to the continued existence of the union, both by their nature and by the varied solutions to which they have led, suggest the most important lessons that Swiss experience has to offer. They well deserve much fuller and closer study than is possible here.

The first and most obvious conclusion is that linguistic difference has not prevented the formation of an effective union. Comparison here can clearly be made with Canada, South Africa and the U.S.S.R. In Canada this difference, and all it stood for in the varied traditions of the French and

English settlers, militated in favour of a federal solution. In South Africa, on the other hand, the more unitary solution was the result of several special factors. Fear of strengthening the forces of disunion, by thus enshrining them in the Constitution, combined with the absence of any large preponderance of English over Dutch or Dutch over English in each area and with the need for union on native policy to produce this effect. The Soviet Union, in contrast, has actually encouraged local consciousness by recognising and even cultivating local linguistic and cultural autonomy. But Switzerland, it must be remembered, was a German confederation for the first 500 years of its existence, and has only included French-speaking cantons since the Napoleonic invasion. Their inclusion, however, cannot be said to have hindered the development of unity by reason of linguistic differences. When internal disagreement emerged in the forties it had political and religious origins; it cannot be regarded as a conflict between German and French Swiss so much as between liberals and catholics. The victory of the former ensured the adoption in the federal constitution of 1848 of democratic republicanism and religious toleration; it merely reaffirmed the equal official recognition of the different languages.

But there are several still more significant lessons to be drawn from Swiss experience.

For a successful union it is essential that there shall be agreement on the most important social purposes of the time. This is likely to be still more true of a confederation than of a federal state, because the latter has more instruments for enforcing a unity imposed by the stronger section within it, while the former is naturally weaker and more exposed to disintegration. If the early Helvetic League was drawn together by a desire for common defence against the Emperors, it developed over time into something more than a mere alliance for war purposes; it attracted new areas and new cities within its confines. The spirit of co-operation grew, and so did the sense of a common independence of the outside world. With unity went success—increasing power and an increasing number of cities represented in the federal Diet. But growth contained seeds of destruction.

Conflicts developed between the rural cantons, accustomed to the most complete form of democratic self-government by the village moot, and the oligarchical cities with their privileged merchant guilds. If the civil war in the mid-fifteenth century led to a reaffirmation of the confederation, the union that emerged was weaker. Non-inter-

vention by the federal authorities in the affairs of the cantons became the accepted principle, and it proved no real solution. On the contrary, the Reformation brought further causes of friction and further civil war, the Protestant and Catholic areas even holding separate Diets. The natural consequence was a decline in power. By the end of the eighteenth century the Confederation was a mere shadow of its earlier strength because it was a body disunited upon the chief issues of the time. It was divided almost equally between rural democracies and urban oligarchies of one form or another. It was a prey to party, religious and economic strife. Its central government was in fact impotent, consisting of representatives who were mere ambassadors governed by their instructions from the sovereign cantonal authorities. The French Revolution had merely imported a further cause of disunion, for it encouraged those who hoped to transform the privileged system of some areas into a democratic one. Thus the armies of the French Republic were aided and encouraged by the elements that hoped for reforms that invasion might bring. The Confederation fell and was replaced by the Helvetic Republic of 1798, modelled by the French on the pattern of their own unitary directorial constitution of the time.

The return to a federal system five years later was again under the auspices of the French and it differed from the old confederation in at least one important particular. It established a democratic republican system of government in every canton, including those which before 1798 had been the homes of privilege and aristocracy. Thus the political uniformity which had belonged only to the original Federation in its earliest period was restored, and in its lifetime—short it is true—this Confederation showed no signs of disintegration. If it came to an end in 1815, this was due to no internal causes, but to the military defeat of the French who had created it and to the triumph under the name of the Holy Alliance of European forces of reaction.

The restoration in Switzerland of the pre-revolutionary oligarchies in 1815 meant that once again the Confederation became a politically disparate and divided body. When compared with the pre-1798 system, however, there was a significant difference. The European Powers were anxious to maintain the old order as they re-established it; consequently the federal forces were empowered to intervene in cantonal affairs whenever the status quo was threatened. This meant the acceptance of a principle, which has proved

itself vital to the maintenance of federal union, provided always that the prior condition prevails—namely agreement among those federally combined upon the nature of the system to be thus maintained. This prior condition did not prevail in Switzerland until in the years 1830–1832 revolution established democracy once again in the oligarchic cantons. Even so the European conflict which was going on in the following years between the forces of conservatism and liberalism was to find its echo in the internal affairs of the Swiss Confederation. The cantons still felt themselves to be sovereign units. Each side had recently seen that it was possible to use the central power for the imposition, by force of the federal authority, of the opposed political doctrines then in conflict; and each side hoped to be able to do so again, as the civil war of 1847 revealed.

The federal constitution of 1848 finally established the two principles. Under it the democratic form of government was affirmed and guaranteed; no cantonal constitution is permitted to contain anything contrary to the federal constitution. Secondly, it is the duty of the federal authority to ensure the maintenance of the cantonal constitutions when this is necessary; and in fact this necessity has arisen and been acted upon from time to time.



A further lesson of Swiss experience is the great difficulty in the way of the initial step of effective federation—the recognition that each federating state, although equal to every other in its claim to complete legal independence and sovereignty, is not in reality equal by reason of its wealth or population. The difficulty of abandoning state equality in favour of equality between citizens is shown by the long period in which every canton was regarded as the equal of every other in its representation at the Diet, and in its equal power to veto the wishes of its fellow-members of the union. It is here that the experience of a unity imposed by force from outside in 1798 is significant. For it was in particular to this period that the framers of the constitution of 1848 looked back for guidance. Still more, perhaps, was the Act of Mediation of 1803 suggestive of a realistic solution, for that was the first confederate constitution to admit that certain cantons were more important than others, giving them rights of fuller representation and a permanent sharing of the presidency. But the earlier principle was hard to kill; it had in fact to be overcome by force in the civil war of 1847. For it was then the claim of the ultimately defeated cantons that the constitution of 1815 had been an international treaty, and

as such required the unanimous consent of every member canton to its alteration. They were afraid that the revision of the federal constitution desired by the majority to bring it into conformity with the recent liberal changes would diminish their rights as sovereign states, and they were correct. But the rights they lost were merged in a bigger and more effective unit, the first really federal Switzerland as it grew after 1848.

^ Comparison between the Swiss Constitution of 1848 and that of the United States of America is highly instructive, both for its similarities and its contrasts. If there was one thing that the period 1775 to 1787 in America most clearly revealed, it was the need for an efficient executive; its creation was the chief innovation. In Swiss history there is a real analogy in the period 1830 to 1848. But the Swiss solution was markedly different from the American, and despite its difference it has remained and worked for the last century. The democratic experience of the Swiss made them regard as alien to their conceptions the granting of such great powers as were already proved necessary for a federal executive to a single man. They turned instead to the creation of a small federal executive Council. This was intended to be the instrument of the federal Parliament and

not its co-equal partner, for the static conception of equilibrium, balance and inaction, which had characterised that defender of aristocracy and father of American constitutional thought, Montesquieu, was wholly foreign to the then leaders of Swiss democracy.

Even the creation of a two-chamber legislature was a new conception, and a tribute both to American experience and to the difficulty by any other means of reconciling the conflicting claims of state-equality and citizen-equality. So, for the first time, the federal assembly of a Swiss union was composed of two chambers, the one—the Council of States—having two representatives from each canton elected how and for as long as the canton determined, the other—the National Council—being elected on an equal franchise throughout the union.

Thus the two forces, the one of citizen-equality making for federal unity, the other of state-equality making for confederate disunity, were each as it were enshrined in equal honour within the federal state. It was generally believed at the outset that the Council of States would prove itself the more important partner; to it therefore gravitated the chief political figures. But this was a mistake. The spirit of cantonal sovereignty, for

which it stood, was already on the decline, a decline no doubt accelerated by the recent experiences of war and reaction. Within ten years the National Council had unquestionably surpassed it in political prominence. Not only did it now become the centre of leadership, but the idea even began soon after to be put forward that the second chamber was unnecessary and should be abolished.

While the Swiss did adopt this one feature of the American federal solution, they thus showed a certain disposition to doubt the value even of this small contribution from across the Atlantic. Indeed, from the start, they had converted the two chambers into one federal assembly for the important functions of electing the executive and judiciary, and of interpreting the constitution. As we have seen, in creating their chief executive they completely rejected the American example: they set up instead of a single leader a small committee, and instead of a power elected by the people and therefore co-equal with Parliament a body itself chosen by Parliament, and therefore in some measure at least its direct instrument. And again, when the Swiss dealt with the third constitutional problem, the creation of an organ to be the ultimate interpreter of the constitution

itself, they once more adopted a solution radically different from the American. This is peculiarly important to the student of federalism, for one of the strongest arguments put forward by the critics of federation is based on the experience of the American Supreme Court. This body, they say, has frequently obstructed American social and constitutional development; nevertheless some such supreme judicial organ is an essential feature of federal government, because the constituent units demand that there shall be safeguards for their rights, and because a system of rigid legal interpretation is a necessary one of these.

But it is particularly in this matter of constitutional interpretation that Swiss experience is illuminating. The constituent units of Switzerland did not demand that the ultimate power of interpreting their federal constitution should be placed in a judicial body. On the contrary, they appear to have detected some of the dangers inherent in such a method, particularly when it is combined with a constitution that is difficult to alter. Their solution was at the same time more democratic and more successful. Amendment requires a majority in both Houses of the federal Parliament, together with a majority of voters and of cantons

on a referendum; and the constitution has shown itself distinctly more dynamic than that of the United States. As for constitutional interpretation, it was laid down in 1848 that there should be a federal tribunal elected by the Federal Assembly, but this body was not permitted to deal with conflicts of jurisdiction, which were reserved for the Federal Assembly itself. Nor could it adjudicate on claims that the constitution had been violated unless such claims were specifically referred to it by the Federal Assembly. Although changes made in 1874 improved and strengthened the tribunal and gave it certain additional powers, it was expressly precluded from declaring any federal statute invalid. Thus Swiss experience would seem to suggest two things: (1) a supreme court on the American model is not a corollary of federation; (2) a certain confidence both in legislative bodies, to abide by constitutional norms and to reinterpret them, and in the popular majority to exercise reasonable restraint, is better than all attempts at rigid constitutional encasement.

It was on the foundation of this liberal constitution of 1848 that subsequent Swiss peace and progress were built. So successful has the Swiss federal authority been that its powers have been

steadily added to. This is specially remarkable in the economic field, and in social services.

Federal finances were originally to be raised from customs, federal property, posts and telegraphs, the powder monopoly and the military exemption tax. As in the United States federal taxation was to be indirect; and it was anticipated that the federal authority would have to come to the cantons for subventions, the latter thus maintaining the power of the purse. In fact, just the contrary happened. Such was the revenue from tariffs on expanded trade that the federal government soon became self-supporting. It was only the interference caused by European war that made necessary an income tax amendment. Thus a federal source of revenue capable of considerable enlargement provided one avenue to the solution of that normal initial problem of federation—the unwillingness of the combining units to provide the central authority with the power of the purse. But this financial question was answered also through developments which took place in the field of economic services.

For obvious reasons the post office became a federal concern immediately upon the creation of the federal state. But this was not the only revenue-producing service in which there was a strong case

for integration under central ownership and control. Railways afford another example. Owing to the inefficiencies of the private companies and the lack of co-ordination a federal railway department was set up in 1872; there was much activity, and in 1898 nationalisation was approved by referendum; the result has been one of the most efficient railway systems in the world. Hydro-electric power has a somewhat similar history. Cantonal control meant lack of uniformity, inadequate development and investment waste. It was placed under federal supervision in 1908. A federal bank was established in 1907. There has also been increased federal control of roads and motor traffic. Similarly with regard to social legislation there has been a steady accretion of federal powers. This is particularly noticeable in services connected with health, labour, insurance and children. "The Federation shall have power to establish uniform regulations in the industrial field"; so ran an amendment of 1908. In 1912 an Accident Insurance Institute was set up, its directors being appointed by the Federal Council, and its benefits administered through the cantons. Thus we conclude a sketch of a system which has known how to combine economic and social progressiveness with federalism.



*The Soviet Union*

In form at least, Communist Russia is the biggest federal unit yet seen. Moreover, stress has always been laid officially upon the federal principle in the Soviet constitution. Just as in the defence of federalism elsewhere, it has been consistently argued that, while autonomy is secured for national units within the Union, there also accrue all the advantages of a strong federal military protection against attack from outside. This was clearly stated in the Fundamental Law of 1923. It has been repeatedly asserted in connection with the republics added to the Union in 1939 and 1940 from the Baltic to the Black Sea. The principle can thus claim continued acceptance over the lifetime of the Union.

The Soviet conception itself clearly contains an important element of federalism. It is essentially a conception of a pyramid of councils, district and vocational. Each such council has its own competence and shares with its equals in the election of its superior council. The whole pyramid is cemented together by a principle of indirect election, its base resting on popular representation. The theory, indeed, is one to which such an ardent democrat as Jefferson would have

had no difficulty in paying tribute; for it resembles closely his political theory which extolled the parish or ward as the expression of the most active form of self-government, and which envisaged the building of a federal democratic pyramid that should extend from the citizen-voter, through ward and state, to the federal or central government. Perhaps in the case of Russia it is sheer dictatorship that welds these units together. Or perhaps the system is the purest form of democracy yet created. But wherever between these two extremes the truth lies, there can be no doubt as to the federal inspiration of the soviet concept. In fact, the truth is probably only to be understood by cutting oneself off from the categories of party division familiar in liberal democracy, and finding analogies rather in religious history. Intolerance of the pagan, who is not "saved", and who is outside the pale, has often been combined with a quite genuine degree of tolerance and freedom within the circle of those who have adopted the faith. That seems rather to be the attitude of the Russian system; within those limits, and granted that act of faith or that acceptance of the gospel according to Marx, Lenin and Stalin, it does appear to show signs of true, as well as formal, federalism.

While the Soviet Union itself has a distinctly federal inspiration, that is also true of several of its constituent units which precede it in time.

The earliest republic, the largest single unit of the present Soviet Union, in some measure a model for others, is the "Russian Socialist Federal Soviet Republic", created in 1918—RSFSR. In name and in intention it is federal and in practice also, although perhaps in strict legal form it is not. The supreme body of the RSFSR is the All-Russian Congress of Soviets, consisting of delegates elected by the provincial soviets. The provincial soviet represents the district soviets of its area; the district soviet is elected by the village or urban soviets, which in turn are directly chosen in popular meetings. Each grade of soviets may do what it wishes within its own area, but is subject to the superior grade.

The RSFSR is important not only because it stretches from the Gulf of Finland to the Pacific and contains more than a hundred million inhabitants, but because the part played by it has always been one of leadership. Its headquarters are at Moscow. From the beginning its leaders were the leaders of the Communist party which also controlled the other republics.

The foundations of the greater Soviet Union were laid well before the formation of the Union of seven in 1923. As early as December 1920 a treaty of alliance, eventually to become a treaty of union, was signed by Lenin and Chicherin for the RSFSR and Rakovski for the Ukraine. This was soon followed by similar treaties with White Russia and the Transcaucasian Federation. The Union has gradually increased the number of its constituent units both by including new ones and by splitting off new autonomous republics from the old ones.

When the sevenfold Union was formed in 1923 certain objects were expressly specified. Cultural autonomy for all the many nationalities within the Union was not the least of these. Each was to have the right to use its own language and to man its services with its own natives, to maintain its own customs and promote its own educational and social progress. Another principle was the "representation of all national republics and regions on principles of equality". It was categorically laid down in the fundamental law of 1923, by which the Union of Socialist Soviet Republics was constituted, that the sovereignty of the units was to be "restricted only within the limits stated in the present constitution, and only

in respect of matters referred to the competence of the Union". These matters were, in fact, the most important with which the modern state is concerned. The Soviet Union deals with all "questions of national importance", and these are specified as foreign affairs, armed forces, foreign trade, heavy industry, forestry, state farms, railways and waterways, posts and telegraphs, and the food industry. Thus what is left for the constituent units is only such matters as education, health, social welfare and light industries. The division thus resembles that with which the student of federalism is familiar in other countries—at least when allowance is made for economic differences.

There are several features, however, which distinguish the Soviet Union regarded simply as an example of federalism. The first is the provision that "each Union Republic retains the right of free withdrawal from the Union", the consent of all being required for any modification of this rule. This is a most unusual, if not indeed a unique, provision in a federal—as distinct from a confederate—constitution.

In the organisation of the executive and legislative organs of this federal structure there are further distinctive features.

There is no clear distinction between these two functions of the state in the Soviet system. The Central Executive Committee and the Council of People's Commissars share the exercise of both, the former being perhaps more legislative and the latter more executive in its main characteristics. The Central Executive Committee (TSIK) clearly resembles a parliament in several ways. It has two chambers. To it is delegated the authority of the All-Union Congress of Soviets, whose chief function is to elect one of its chambers, the Union of Soviets. The other chamber is the Soviet of Nationalities. This is elected by the chief Congress of Soviets of every federated republic, but every "autonomous republic" within such federated republics is also entitled to elect, and is treated on an equal footing with the larger unit, although actual population varies enormously. Every autonomous or federated republic elects five members. Further, certain "autonomous areas" elect one member each. Thus the Soviet of Nationalities is clearly a formal expression of the principle proclaimed as a fundamental part of the Soviet conception, the fullest recognition of cultural autonomy. For, although in the principle of equality it resembles a federal senate like the Swiss or the American, the classification upon which it

is based is racial, linguistic and cultural more than geographic. It was consciously organised in this fashion in order to satisfy the feelings of White Russia, Transcaucasia and the Ukraine when entering the Union. The two chambers of TSIK have equal powers. They elect the Presidium which shares with the Council of People's Commissars the most important place in the government of the Soviet Union, and which has a veto on the decision of a TSIK of any of the constituent republics. Decrees are generally signed jointly by the chairmen of both bodies. They must be ratified by the TSIK of the Union and are in fact often modified by its influence.

The Council of People's Commissars (Sovnarkom) is the nearest approach to a Cabinet of responsible ministers, one for each of the chief functions of the state. It is entrusted by TSIK with the chief work of government. To it in each constituent republic there exists a corresponding Sovnarkom.

This body is responsible for the government of the republic with which it is concerned. It deals particularly, of course, with the services for which the republic is the competent authority, that is to say excluding questions of national importance which are the concern of the Soviet Union as a

whole. The interesting feature is that upon this body there sit in each republic representatives of the Soviet Union Sovnarkom concerned with each of the functions that belongs to the Union exclusively. In other words, alongside those who deal with the internal social industrial and other affairs of the unit republic there sit men who represent the Soviet Union's function of defence, foreign affairs, heavy industries, communications, etc. It appears that these Union representatives take an active part in the discussions and contribute to decisions by advice, by bringing to bear upon local matters the wider implications they see, and that as a whole they form a valuable channel through which common streams of policy can flow, and effective administrative co-ordination be implemented at the source of decision. It is the Central Executive Committee and the Council of People's Commissars for the whole of the Soviet Union that together appear to be the chief decreeing authorities for the whole territory. Decrees are most frequently signed by their presidents.

But the supreme body in the whole system is the biennial All-Union Congress of Soviets. This is elected not only by the highest congress of soviets in each constituent republic, but alongside



these delegates, all of whom are elected specially for each Congress session, there also sit delegates from the congresses within the seven constituent republics for each autonomous republic contained in the larger unit. Certain also of the more important cities have the right to send delegates to this vast assembly, which in fact is too vast and too dependent on its electors to establish as strong an esprit de corps as we are accustomed to find in the ordinary democratic parliament. It is important more as an avenue for the expression of opinion and as a ratifying body for the decisions of the Executive.

Thus we can see quite briefly and in oversimplified form some of the main features of the vast and complex organism that is the Soviet Union, an organism which merely in its political aspects a large volume would be inadequate to describe. *Soviet Communism* by Sidney and Beatrice Webb should be consulted for a fuller picture, especially pages 1 to 160 and chapter vi.

Two further points should, however, be indicated in conclusion. Throughout the development of Russian federalism two factors have played a predominant part. The first is the RSFSR, the influence of which can scarcely be over-emphasised in the original formation of the Union, but

whose dominance has been mitigated nevertheless by the policy consciously followed of encouraging cultural autonomy as a guiding principle within this republic itself as well as throughout the Union. Clearly, however, a unit which is so much larger than all the other units combined, must play more than a leading part in spite of the many federal safeguards. The second is that semi-religious brotherhood, the Communist Party. The fact that this is the guiding, if not the controlling, influence in all the constituent republics is obviously of major importance, if only because it establishes a constant unifying force to work through all the complicated political mechanisms that constitute the formal machine for governing the Union as a whole, a force for welding together in unity its many diversities.

### *The Spanish Republic 1931-8*

Democratic Spain is interesting mainly because it adopted the federal principle as a way of solving a century-old problem. The monarchy had for long attempted to weld together the different ethnological entities of which Spain is composed into a single unit with one central government. It did not succeed. The Republic set out with the declared intention of giving relative autonomy

to any such entity which desired it. A federal Spain was to be constructed out of what had hitherto been an uneasy unitary state. In this there is a clear resemblance to post-revolutionary Russian development.

The Republic itself might claim to be the child of a union between the Liberal leaders and the Catalan advocates of home rule. An alliance had been formed in the summer of 1930 between these two elements with the secret object of overthrowing the monarchy. When it achieved success in April 1931 the implementing of the agreement immediately became a matter of the first importance. Instead of merely giving a measure of home rule to Catalonia, the framers of the constitution included within it the outline of a federal structure. The use of these "enabling" articles of the constitution was optional to any area that aspired to become "an autonomous region". They were merely guiding principles that were set down to indicate what functions could come within the competence of the regional authorities. But the conception was definitely not one of simple delegation from the centre to a local body, the former retaining a sacrosanct sovereignty and omnicompetence, for it was provided that subsequent changes in the regional constitution must

be approved by the regional authority, or that a special majority was required in the central Parliament for the legalising of any such changes. The original regional constitution itself was to be approved by the region before coming into force.

Catalonia was the first area to obtain its statute of "autonomy". The broad terms of that statute are worth noticing because they indicate the general intention, as carried out also in the case of the Basques. A Catalan Parliament was established, with a President elected by it. The social services and internal security were devolved upon the regional authority, which was empowered to levy certain taxes and was to receive a percentage of others. The central government retained the power to intervene in order to maintain the republican form of government in Catalonia should that be threatened. Equal citizenship was assured and both the Catalan and the Castillian languages were to be official. On the whole, the Region was to be free to develop its own economic resources, and to institute more progressive social services, but the Republic here retained certain supervising powers, including the power to impose minimum labour standards.

To safeguard its rights in the sphere of judicial interpretation, each Region was to elect one

member of the Supreme Court, or Court of Constitutional Guarantees. This Court exercised jurisdiction over the whole of Spain. It would be entitled to declare invalid any administrative act or law which conflicted with the terms of a regional statute. Thus there were only two ways in which a statute could be overridden. Judicial interpretation was one; the other was a two-thirds majority of the central parliament. There can be no doubt that such a system can truly claim to be federal. The Catalan statute was passed in 1932; it was followed by a similar Basque statute, and others were under consideration. The Republic clearly hoped to encourage the development of a responsible and yet co-operative spirit of self-government and local initiative by this free adoption of the federal principle.

### *Germany*

The history of federalism in Germany does not appear to throw much light on the subject. Speculation on the theory of federalism, however, has been peculiarly active; many weighty books have been produced, especially during the nineteenth century, and at least one major philosopher of federalism, Otto von Gierke, stands out as a German contribution to the world of ideas. It

is possible, however, to suggest two lessons from German experience,—the necessity for an active spirit of democracy if federalism is ever to succeed, and the difficulty of creating an effective federal state where any one partner is as predominant as was Austria at one time and Prussia at another. How far recent Russian experience bears out these two suggestions it is probably too early yet to decide.

The loose Germanic Confederation which preceded the French Revolutionary wars, and dated back to the Middle Ages, is far less interesting from the federal point of view than the much more closely knit Swiss Confederation of the same period. It was in the main a group of independent sovereigns, bishops and cities owing allegiance of a more or less formal kind to the Holy Roman Emperor who still continued to exist as a shadow of the past. The Germanic Confederation proper, formed in 1815, is only slightly more interesting. This was intended to be a combination for mutual defence, and it was doomed from the start because its chief purpose was to preserve a status quo already once upset by revolution and already out of touch with the popular demands of its generation. Its Federal Diet was not a law-making body, but in effect a conference of ambassadors, although

the larger states of Austria, Prussia and Saxony were entitled to more representatives than the smaller ones. Although established for defence it was without a federal army or a federal taxing power; in short, it was a confederation and in no sense a federal state.

Democratic revolt against it expressed itself in 1848 in the abortive attempt to establish a really federal and democratic Germany. The aspirations of the Frankfort Assembly were admirable, but its political leadership was marked by vagueness and inexperience, and it proved itself quite unable to cope with the forces of authoritarianism, especially in the shape of the Prussian Government. Its main achievement was to draw up a constitution that never came into force. This was to provide for a parliamentary federal German Empire, containing a hereditary emperor, a senate of princes representing the federal element, and a representative assembly on the basis of one member for every 100,000 inhabitants. This parliamentary system was in fact modelled on the English system, with ministerial responsibility and financial control vested solely in the lower house. The attempt was chiefly interesting in that it revealed the absence of a sufficiently powerful democratic force in favour of unity to defeat the

entrenched authority of reaction. German liberalism proved itself relatively weaker than similar movements in France and elsewhere in Europe at the time. And the unity which liberalism failed to achieve by parliamentary methods was enforced by military action in the following twenty-two years on the part of Prussia. Military success and administrative efficiency, backed by greater numbers, enabled Prussia to create a federal empire under its own hegemony.

The North German Confederation formed by Bismarck after the victory of 1866 was presided over by the King of Prussia, soon to become German Emperor. As an authoritarian regime the principle of federal unity was expressed in it, in fact, solely in the person of the Emperor. The Reichstag had no effective powers. In the most important body, the Bundesrat, Prussia had seventeen votes while fourteen were enough to block any proposal; its members were nominees from above and not representatives from below. It cannot therefore be regarded as in any real sense a truly federal structure.

The next attempt to establish a federal democratic Germany was not to come until that military machine had been defeated in the war of 1914 to 1918. But by this time, the process of German



unification under Prussian dominance had gone so far that the republic then created can hardly be regarded as a true example of federalism. Although separate governments were, it is true, established in the various units of which the Reich was composed, although the states of the Empire were thus maintained in republican form, their real share in the government of the Weimar Republic as a whole was negligible. In fact, the only expression given to the federal principle was to be found in an upper house which had only a rather ineffective veto power upon legislation, and no right to amend. The idea of the unified nation-state able to play its part in the sorry game of European power-politics seems still to have been at the height of its influence. A truly federal Germany might well have been regarded as too weak a body to survive at all in the then European armed camp of great powers. And within fourteen years even these few remaining vestiges of federalism had been destroyed in the interest, once again, of military efficiency.

What would have been the fate of democratic federalism in Germany had the dominant partner, Prussia, and not such relatively insignificant areas as Baden, been imbued with a true democratic faith, and taken a democratic lead, remains a mere

matter of speculation, although an extremely interesting one. The absence of that faith and that type of leadership has clearly had the most devastating results.

What Prussia did for the Germanic states in the nineteenth century—with its result in 1918, it would seem that Germany decided in the nineteen-thirties to do for Europe, if not for the world, in the twentieth century—and in an incomparably more brutal fashion. It appears that Germany herself has outlined the opposed alternatives for the continent, an enslaved unity under Prussian control or a democratic federal unity.

# THE CONSTITUTION OF THE UNITED STATES: A STUDY IN FEDERALISM

*By* PROFESSOR A. L. GOODHART

THERE are two reasons why it is necessary to begin this essay with an historical introduction. The first is that no constitution can properly be understood without a full realization of the facts which called it into being. The English Constitution is a striking illustration of this, for it is not a logical creation: every part of it has its roots in the past and can only be explained by its origin. The same is true to an equal degree of the American Constitution. It was not constructed by philosophers on rational abstract grounds. Almost every section has its direct basis in the experience of its makers, and is directed to the solution of a specific problem. It was a practical instrument created to meet a practical situation. But there is a second reason why it is important to study the history of the American Constitution. It furnishes the best illustration of how a federation may develop out of a loose and impractical alliance; within one generation the American system of govern-

ment went through three different forms before it finally crystallized in the United States Constitution.

It has been said that to understand the Constitution it is necessary to begin with Magna Carta and the parliament of Simon de Montfort, but this is a counsel of perfection. A more convenient starting point is the Congress of Albany in 1754. The Lords of Trade in London had, with a foresight which was singularly lacking in other instances, foreseen the coming of the war against the French in Canada, and therefore, as a protective step, they directed the colonial governors to send commissioners to Albany to make a treaty with the Iroquois Indians. This was the primary function of the delegates, but of greater importance were their discussions concerning the possibility of creating a colonial union. The colonies were beginning to realize that it was necessary for them to act together in face of a common danger. The year before, Benjamin Franklin had published what was probably the first American cartoon. It represented a snake cut into thirteen pieces with the caption "In union there is strength."

The Albany Congress unanimously passed a resolution that "a union of all the colonies is at present absolutely necessary for their security and

defence," and Franklin was asked to draw up a plan. It provided for a "President General" and a "Grand Council" to be chosen by the colonial assemblies. The central government was to have power to regulate Indian affairs, to protect the colonies, and to raise funds by requisitions on the separate colonies. The plan is especially notable because it drew a clear line between matters of general concern, which were to be dealt with by the central government, and those of a local nature which were left to the individual colonies.

Although all the twenty-five delegates were in favour of the plan, it was not considered seriously by even one of the colonies. They feared that such a central government, established as it would have to be by Act of Parliament, might increase the power of the Crown. On the other hand, the British Government feared a permanent union among the colonies because they had already shown some signs of restiveness. The plan, therefore, was still-born, for as Franklin said: "The assemblies all thought there was too much *pre-rogative*, and in England it was thought to have too much of the *democratic*." Thus came to an end the first attempt at American union.

The French-Indian war, as it is called in the United States, really ended in 1759 when Wolfe

captured Quebec, but it was not until 1763 that peace was made. The war had done something to bring the colonies closer to each other as the militia had served together in the army, but, on the other hand, some of the colonies had suffered more heavily than others, with the result that there were recriminations between them. There was also increasing jealousy caused by the conflicting claims to the Western lands, for it was not clear what rights the various colonies had in them.

It is unnecessary to trace here the various steps which led eventually to the American Revolution, but it is of interest to point out that the chief point in dispute was that the colonists were in fact arguing that the British Empire was, and ought to be, a federal state and not a unitary one. Thus they recognized that Parliament was sovereign in matters concerning the Empire, but they claimed that it could not control the internal affairs of the colonies. They did not dispute therefore the right of Parliament to enact the Navigation Acts, as these affected the whole Empire, but they denied Parliament's right to tax them, as this was an internal matter. Professor Morison has stated<sup>1</sup> the point at issue as follows: "When,

<sup>1</sup> Morison and Commager *The Growth Of The American Republic*, 1937, Vol. 1, p. 40.

in 1773, Governor Hutchinson asserted that 'no line can be drawn between the supreme authority of Parliament and the total independence of the colonies,' and 'it is impossible that there should be more than two independent legislatures in one and the same state,' John Adams, on behalf of the lower House of Massachusetts, cut through this dialectic with the reply that the British Empire was not a centralised but a federal one." The unwillingness of British statesmen, Professor Morison continues, to abandon the legal fiction of centralisation and sovereignty for the historical fact of federalism spelled the failure of imperial organisation.

In 1774, following the famous Boston Tea Party, when chests of tea were emptied into the harbour by men disguised as Indians, Parliament enacted a series of coercive measures. Massachusetts called on the other colonies for support, and in September, 1774, the first Continental Congress met in Philadelphia. It issued a "Declaration of Rights" denying the right of Parliament to legislate concerning taxation and internal policy, but stating that the colonies "cheerfully consent to the operation of such Acts of the British Parliament as are *bona fide* restrained to the regulation of our external commerce."

On April 19, 1775, British soldiers fired on the Massachusetts militiamen at Lexington, and the Revolutionary War began. There was then no central government in being, but on May 10, 1775, the second Continental Congress met in Philadelphia, where it continued to function until 1781. Although it was in its nature nothing more than a conference of delegates representing the separate and sovereign States, which had now developed out of the colonies, it gradually began to assume independent powers. In June it resolved that "an American continental army should be raised," appointing George Washington commander-in-chief. It also established "a Committee of Correspondence with our friends abroad," and it sent Benjamin Franklin as its ambassador to France. Congress also took over the post office, the control of the frontier Indians, mediation in boundary disputes between the States, and control of trade. Its most unsatisfactory activity was, however, in the realm of finance, where it attempted to raise funds by issuing paper currency. This in time became valueless, and is still remembered in the popular American phrase "not worth a continental."

The most important step, however, taken by the Continental Congress was the Declaration of



Independence adopted on July 4, 1776. It was prepared by a committee of five, headed by Thomas Jefferson. The concluding paragraph reads in part as follows: "We, therefore, the Representatives of the United States of America, in General Congress, assembled . . . solemnly publish and declare, that these United Colonies are, and of right ought to be, free and independent States. . . ." Here, for the first time, the phrase "United States of America" was substituted for "these United Colonies." It will be noted how careful the wording is: it is the Representatives, and not Congress as an independent body, who make the Declaration. Moreover, it is not a resolution, but a declaration of an already existing fact, and therefore it was not necessary to get specific approval from the various legislatures, although it is doubtful whether the delegates had authority to take so radical a step on their individual responsibility. Congress acted because it had to act, but the basis of its authority was not clear.

#### THE ARTICLES OF CONFEDERATION

In order to place the government on a firmer basis the Congress in June, 1776, appointed a committee to draw up Articles of Confederation

and Perpetual Union. It reported on July 12th, but it was not until nearly a year and a half later, in November, 1777, that the final draft was adopted. After so long a period of discussion, during which there were acrimonious debates concerning the powers to be given to the central government, the method of representation and the system of taxation, it might have been expected that the various States would have been prepared readily to accept this innocuous form of union, but it took another three and a half years before the last of the thirteen States ratified the Articles.

These Articles, because they proved an immediate and almost complete failure, have not received the attention that they deserve. They are of great importance, however, because in them was drawn the line between those powers which were given to the Central Government and those which were reserved to the individual States. This division was later adopted, with only slight changes, in the United States Constitution, and it thus became the basis of the federal system. The Articles are also of interest as an object lesson: why did a form of government which was so carefully planned, and which at first sight resembles the Constitution in so many respects, fail

so completely while the latter has proved one of the most successful in the history of the world?

Article I provides that the style of the confederacy shall be "The United States of America." This name seems to have been accepted without question as soon as the Colonies had declared their independence. The new confederacy, therefore, began with the advantage of a ready-made name which represented an idea which the people had already accepted.

Article II provides that each State shall retain "its sovereignty, freedom, and independence," and that all powers which are not expressly delegated to the United States are reserved to the States. It is difficult to determine what the term *sovereignty* was intended to connote here, in view of the fact that all control over foreign affairs was vested in the United States. It is fortunate that ten years later the draftsmen of the Constitution were careful not to use such question-begging phrases.

In Articles III and IV the States agree to support each other in case of attack, and to give free ingress and all privileges of trade and commerce to the people of any other State.

Article V establishes the system of government for the Confederation it must be almost the shortest and simplest to be found on this subject

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in any known constitution. All the powers are vested in Congress which is made up of delegates elected annually in such manner as the legislature of each State shall direct, with the power to recall them at any time. Each State has only one vote, although it may send from two to seven members to Congress, they being maintained by each State.

Article VI is an important one, for it enumerates the limitations which are placed on the States. It provides that no State shall enter into a treaty with a foreign State without the consent of Congress, and that no two or more States shall enter into any treaty between them without such consent. In time of peace no State shall keep up vessels of war or any body of forces without the consent of Congress, but every State shall always keep up a well-regulated militia. No State is to engage in any war without the consent of Congress unless actually invaded.

Article VII covers the appointment of officers in the army.

Article VIII deals briefly with the all-important subject of finance. It provides that all charges of war and all other expenses shall be defrayed out of a common treasury, supplied by the several States in proportion to the value of all land within

each State. The method by which such taxes shall be raised is left to each State.

It is not until Article IX is reached that the powers granted to the United States are enumerated, although this is the essential part of the whole system. The United States are given sole power of determining peace and war, and of entering into treaties and alliances. Congress shall be the last resort on appeal in all disputes arising between any of the States, and a peculiarly complicated system for judging such disputes is provided. The United States is also given the sole power of directing the operation of all armed forces, of regulating the value of coins, of managing Indian affairs, and of establishing post offices. Finally, Congress is given the power to borrow money and emit bills on the credit of the United States, an account of such sums being transmitted to the States, they being responsible for the payment.

The next three Articles are of minor importance, but Article XIII proved to be the downfall of the Confederation, for it provided that no alterations should be made in the Articles without the consent of every State. This could never be obtained as there always was some recalcitrant State which opposed any change, however essential this might be. The concluding words provide

that the Articles "shall be inviolably observed by the States," and that "the Union shall be perpetual." In fact the Articles were almost invariably disregarded by the States, and this particular Union lasted only seven years.

Bernard Shaw may have exaggerated when he said that "the lack of money is the root of all evil," but in so far as governments are concerned he was not far wrong. If the Confederation had been able to raise money to meet its obligations it might have succeeded in weathering its other disadvantages, but it soon became bankrupt for all practical purposes. The total sum required by the government from 1781 to 1788 was about \$16,000,000, but the States paid less than \$3,500,000 into the Treasury. There was no way by which Congress could force them to make good their defaults.

In the field of foreign affairs the Confederation proved to be hardly more successful. Although under the Articles the States were bound by any treaties made by the United States, many of them failed to carry out the provisions of the Treaty of Peace made with England in 1783. Only too glad of this excuse, the English in retaliation refused to surrender the frontier posts which controlled some of the Western lands.

Nor were the relations between the States themselves satisfactory. The Confederation had no jurisdiction over commerce, and the States had been left free to fix import duties. A sordid struggle began which led to such bitterness that in some cases armed conflict was only avoided with difficulty.

When the Articles of Confederation were first adopted they were received with enthusiasm. Thomas Jefferson said: "A comparison of our government with the governments of Europe is like a comparison of Heaven and Hell. England, like the earth, may be allowed to take the intermediate station." Seven years later everyone recognized that the Confederation had failed, and was about to dissolve in anarchy. The government was bankrupt, and Congress had no means by which it could compel the States to obey its resolutions. The gloomy prophecy of Josiah Tucker, Dean of Gloucester, seemed to be justified: "As to the future grandeur of America, and its being a rising empire under one head, whether republican or monarchical, it is one of the idlest and most visionary notions that ever was conceived even by writers of romance. . . . They never can be united into one compact empire under any species of government whatever; a

disunited people till the end of time, suspicious and distrustful of each other, they will be divided and subdivided into little commonwealths or principalities."

### THE CONSTITUTIONAL CONVENTION

In the summer of 1786 the State of Virginia proposed a convention at which the condition of internal commerce, which was rapidly falling into chaos, could be considered. Only five States sent delegates, but among them were two young men, James Madison of Virginia and Alexander Hamilton of New York. They persuaded their colleagues that the situation was so serious that a basic reform in the whole system of government was necessary. For once Congress acted with resolution, for in February 1787 it invited the States to send delegates to a convention to be convened in Philadelphia on May 14th, for the purpose of revising the Articles of Confederation.

It is impossible to discuss here in any detail the work of the Convention. *The Records Of The Federal Convention* have been edited in four large volumes by Professor Max Farrand, where all the details can be found. Some general statements may, however, be of interest. The total number of delegates who took an active part in the Con-



vention was 55, but as a rule not more than 30 were present at any one time. Perhaps the most striking thing about the delegates was their comparative youth, their average age being under 42. Moreover, James Madison, who more than anyone else was responsible for the plan on which the Constitution was constructed, was only 36 years old: he was destined to live almost another fifty years under the government he had so largely helped to create. Equally striking was the high educational standard of the delegates. More than thirty were graduates of American colleges or European universities, and they were therefore well versed in ancient and modern history. The debates were filled throughout with a striking number of historical illustrations. There was also a strong legal element in the Convention: the 25 lawyer members may account in part for the realistic tone of its work. Almost all the delegates had held important public positions, nearly three-fourths of them having served in Congress at one time or another. They therefore had practical knowledge of the advantages and disadvantages of the Confederation. "Experience must be our only guide—Reason may 'mislead us,'" was the maxim which they followed.

Perhaps one of the reasons why the Conven-

tion proved so successful was that it was careful not to attempt too much. Its aim was to produce a practical system of government which might not be perfect but which would work. The delegates realized that the Constitution which they were preparing would have to be accepted by the various States, and therefore they included in it as little controversial matter as possible. Some of the more obvious gaps in the Constitution can be explained on this ground.

A second reason for the success of the Convention was the strict rule of secrecy which it adopted. This was so severe that the Records of the Convention were not published until fifty years afterwards. George Washington, the President of the Convention, gave a firm warning when a leak occurred. "I must entreat gentlemen to be more careful lest our transactions get into the newspapers and disturb the public repose by premature speculation." The delegates were not influenced by a desire for newspaper notoriety or by fear of what their constituents might think from day to day; their only pre-occupation was to produce as good an instrument as possible. Here again Washington set the standard: "It is too probable that no plan that we propose will be adopted. Perhaps another dreadful conflict is to be sus-

tained. If, to please the people, we offer what we ourselves disapprove, how can we afterwards defend our work? Let us raise a standard to which the wise and just can repair. The event is in the hand of God."

It is a comforting thought for lesser men that this "assembly of demi-gods," as Thomas Jefferson once enthusiastically called them, should have made two striking errors, although neither fortunately has done much harm. The first was that they believed that there was a fundamental conflict of interest between the large and the small States. As a result they spent a large part of their time arranging a compromise on this point, a compromise which is responsible for the remarkable constitution of the Senate. Strange to say, from that date to this there has never been a single question on which there has been a conflict between the large and the small States. The division has usually been along regional lines, the North against the South, or the East against the West. The second error was in the method devised for electing the President. This was the part of the Constitution on which the Convention most prided itself, but it was the only one which broke down when put into practice. Hamilton, writing in the *Federalist*, said, "The mode of

appointment of the Chief Magistrate of the United States is almost the only part of the system, of any consequence, which has escaped without severe censure . . . I venture somewhat further, and hesitate not to affirm, that if the manner of it be not perfect, it is at least excellent." Within a generation this part of the Constitution had to be amended. The moral is that Constitution-making is an uncertain game, and that both over-pessimism and over-optimism must be avoided.

The final general point is the most important. The delegates never forgot that they were framing a Constitution which might last for hundreds of years. They therefore stated its various provisions in as short and general terms as possible. The original Constitution contains only 4,000 words, and now with the 21 amendments it has only 7,000. It is true to say that the delegates showed great ability in what they included in the instrument, but genius in what they left out. It is rare to find such self-restraint on the part of legislators.

On September 17, 1787, after four months of strenuous debate, the Convention finished its work, and sent the text of the Constitution to Congress which, in turn, transmitted it to the various States. Article VII of the Constitution provided that "ratification-of the conventions of

nine States, shall be sufficient for the establishment of this Constitution." It was felt that popular conventions would be more likely to approve of the Constitution than would the State legislatures, jealous of their own power. The next six months were crucial ones. At one time it looked as if the Constitution would certainly be rejected, for there was bitter opposition to it in many of the States. Having overthrown one tyranny, why should we accept another? was the argument which such violent democrats as Patrick Henry advanced. They were answered by the *Federalist*, a series of papers written by Hamilton, Madison and Jay. These, published in book form, still contain the best commentary on the Constitution. Finally, on June 21, 1788, New Hampshire was the ninth State to ratify, and in March, 1789, the Constitution was declared to be in effect.

### THE CONSTITUTION

In studying a unitary constitution, such as that of Great Britain, the primary subject is the structure of the government. We begin with a description of the position of the King, of the nature of Parliament, and of the recent development of the Cabinet system. In the case of a federal

constitution the approach is entirely different because the primary subject is the division of powers between the federal government and the individual States. It is only after we have established what the federal government can do that we are concerned with the question of how it can do it. By far the most important part of the United States Constitution is therefore section 8 of Article I in which the powers of Congress are enumerated.

This enumeration is divided into eighteen parts, separated from each other by semi-colons, but to understand the true scope of the national government it is more convenient to group them under five heads.

The first head covers what may be called the necessary powers of the government. These are:

- to collect taxes, duties, and excises, and to pay the debts of the United States;
- to borrow money;
- to coin money and fix the standard of weights and measures;
- to punish counterfeiting;
- to establish post offices and post roads;
- to constitute tribunals inferior to the Supreme Court;
- to establish a uniform rule of naturalization.

Of these powers by far the most important is that concerning taxes, duties and excise. At first these were used primarily for the purpose of raising revenue, but it soon became apparent that home industries could be protected by means of impost duties. The question concerning the extent of this protection has been one of the major political issues during the past century, the Republicans favouring high tariffs and the Democrats low ones. To-day the income tax is of equal, if not of greater importance, for it has been found that it is the most potent means by which to further a peaceful social revolution. The great American fortunes of the past are rapidly melting away, and no new ones can be created. The power to tax has become the heart of the governmental system.

The second head deals with commerce. Congress is given the power "to regulate commerce with foreign nations, and among the several States, and with the Indian tribes." It is also given power to provide for uniform laws on the subject of bankruptcies, and to enact copyright and patent legislation. The founders of the Constitution can hardly have dreamed of the tremendous import of the words "regulate commerce among the several States." In 1788 the

problem was to prevent the several States from placing impost duties on inter-State traffic, and to see that goods could be freely carried from one place to another. But the two words "regulate" and "commerce" have been so liberally construed by the Supreme Court that the federal government now has almost complete control of the industrial and commercial life of the country. The wireless, the telegraph, the railways, shipping, the stock exchanges, all are controlled as instruments of commerce. The most difficult question has been, When does-commerce begin? Is Congress empowered by these words to control the manufacture of goods destined for inter-State commerce? This was answered in the negative by the Supreme Court when it destroyed President Roosevelt's "New Deal", but the present Court has reversed the position. To-day the federal government is supreme in this field.

The third head is concerned with foreign relations, for Congress is given the power to declare war. The power to make treaties is covered by section 2 of Article II which provides that they shall be made by the President with the advice and consent of the Senate, provided two-thirds of the Senators concur. Unfortunately this division of power between the President and the



Senate has made the conduct of American foreign affairs a difficult and uncertain task.

The fourth head deals with military and naval matters. Congress may raise armies, but no appropriation shall be for a longer term than two years, this limitation being based on the English practice. It may provide and maintain a navy, there being no restriction as to appropriations in this case as a navy was considered to be less of a menace to liberty than was a standing army. Congress also has the power to call out the militia of the various States to execute the laws of the Union, suppress insurrections and repel invasions. The States, however, retain the power to appoint the officers. In time of war these powers of the federal government become of paramount importance. There is virtually nothing that it cannot do, provided that its acts have some reasonable relation to the war effort. Thus it may establish a censorship, seize and operate factories, regulate prices of commodities, and compel all citizens to do whatever work is required. However, as soon as the war has ended, then these powers fall again into obedience.

The fifth head gives the federal government power to exercise control over the district which is the seat of government, and over forts, arsenals,

etc., purchased by the government with the consent of the legislature of the State in which the same may be.

The federal government has, however, a sixth power which is not specifically set forth in the Constitution, but which is of ever increasing importance. This is the power to spend money. What it cannot do by force of law, it can do by force of the purse. Thus although the national government has no express power to deal with education it can by giving subsidies to the various States largely influence development along these lines.

It is interesting to compare these powers of the Constitution with those given by the Articles of Confederation so as to see why the one succeeded and the other failed. The two new powers given by the Constitution were those of taxation as a substitute for the former method of requisitions, and the control of inter-State commerce. The national government could now tax the citizen directly. Hamilton summed up the difference between the Articles of Confederation and the Constitution in these words: "The great and radical vice in the construction of the existing Confederation is in the principle of *Legislation for States or Governments, in their Corporate or Collec-*

*tive Capacities*, and as contradistinguished from the Individuals of which they consist. The consequence of this is, that though in theory their resolutions concerning those objects [requisitioning money and soldiers] are laws, constitutionally binding on the members of the Union, yet in practice they are mere recommendations which the States observe or disregard at their option."

#### LIMITATIONS ON THE POWERS OF THE FEDERAL GOVERNMENT

As the powers of the federal government were strictly curtailed, it was not thought necessary by the Founders to provide elaborate safeguards concerning their exercise. Section 9 of Article I does, however, enumerate certain limitations binding on Congress. These include the provisions that the writ of habeas corpus shall not be suspended unless public safety may require it in cases of rebellion or invasion, that no bill of attainder or ex post facto laws shall be passed, that no duty be laid on articles exported from any State, and that no title of nobility shall be granted by the United States.

When the Constitution came to be adopted it was generally felt that these safeguards were not

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sufficient to protect individual and State rights, and therefore ten amendments were adopted in 1791. These have been termed the American Bill of Rights. The most important of these is Article I which provides that "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech or of the press; or the right of the people peaceably to assemble and to petition the Government for a redress of grievances." The other articles deal with the right to bear arms, right of search and seizure, trial and punishment, excessive bail, etc. These Articles are applicable to the federal government alone: they do not apply to any State laws or acts. These are covered by entirely separate provisions.

### THE STATES

The 10th Amendment to the Constitution provides that "the powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively or to the people". This was implicit in the Constitution itself, but it was felt that it ought to be underlined in specific terms. What are these powers which are left to the States?

They cover almost every subject except that of inter-State commerce. Domestic relations, i.e., marriage, divorce, etc., the ordinary common law, i.e., contract, tort, real property, etc., the criminal law except for that dealing with violations of federal statutes, housing legislation, factory legislation, the poor law—all these, and many more, are subjects which concern the States, and the States alone. Thus if Congress attempted to enact a uniform marriage and divorce law, this would be void as falling outside its constitutional powers. From time to time it has been suggested that some of these subjects should be transferred to the federal government so that they could be dealt with in a uniform manner,—thus the fact that there are 48 different divorce laws in the United States has given rise to some curious results,—but so far there has been little popular enthusiasm for such a change. The parochial feeling is still far stronger in America than most people realize.

The original Constitution placed few limitations on the exercise of these powers by the States. The more important ones are set out in section 10 of Article I. This provides that no State shall enter into any treaty or alliance, emit bills of credit, pass any bill of attainder, ex post

facto law, or law impairing the obligation of contracts. Nor shall any State, without the consent of Congress, lay any duties on imports or exports. Nor may any State keep troops or ships of war in time of peace without the consent of Congress. This does not cover the militia, which was not considered to be a danger to liberty. Article IV also has some bearing on the powers of the States, because it provides that full faith and credit shall be given in each State to the public acts of every other State, and that the citizens of each State shall be entitled to all privileges and immunities of citizens in the several States.

It was not, however, until 1868 that a radical change in the position of the States took place. In that year the 14th Amendment came into force. This was intended to protect the newly-freed negroes in the Southern States, but its effect has been far wider than this. It provides, *inter alia*, that no State shall "deprive any person of life, liberty or property without due process of law, nor deny to any person within its jurisdiction the equal protection of the laws". This Article has been construed by the Supreme Court as giving it power to declare unconstitutional any Act of a State legislature which it believes interferes un-

duly with the liberty or property of the citizen. Thus at one time the Supreme Court held (*Lochner v. New York*, 1905) that a New York statute which limited the hours of labour in bakeries was an unreasonable interference with liberty of contract, but it has recently held that similar legislation is constitutional. This Article has given rise to violent conflicts of opinion, some persons feeling that it places an undesirable limitation on the freedom of action of the States, while others think that it is necessary as a check on radical and unconsidered legislation. There is probably some truth in each view, but it is unlikely that any change will be made in the 14th Amendment. It was the wide construction placed on it by the Supreme Court, rather than the amendment itself, which was at fault.

### THE SUPREME COURT

No part of the federal government has been so passionately admired or so violently criticized as the Supreme Court. Strange to say the Constitutional provisions on this subject are remarkably meagre. Article III, section 1 provides that the judicial power shall be vested in one Supreme Court, and in such inferior Courts as Congress

may establish, while section 2 gives a list of the controversies which shall fall within the jurisdiction of the federal Courts. The constitution of the Supreme Court, except that the Judges should hold office during good behaviour, was left to be determined by Congress, which is also given the power to make regulations concerning the appellate jurisdiction of the Court. It is therefore possible for Congress to provide that an Act passed by it shall not be reviewed by the Supreme Court, although so radical a step would be in the nature of a revolution.

It is a remarkable fact that the Supreme Court's power to declare legislation enacted by Congress to be unconstitutional and therefore void is not given specifically by the Constitution itself. It was first enunciated by Chief Justice Marshall in 1803 in *Marbury v. Madison*, and has never been seriously questioned. In a unitary State, such as Great Britain or France, even if it has a written Constitution as in the case of the latter, it is unnecessary, and probably undesirable, to give to the Courts the power to hold that legislation is unconstitutional, but such review is of the essence of a federal State. If it were not for such review the federal government could encroach on the domain of the constituent States with the result



that they would become powerless. Where there is the possibility of a conflict of interests between the federal and the State governments some provision must be made for the solution of the problems as they arise. It is the Supreme Court which has performed this function in the United States, and it is difficult to see how else these conflicts could have been solved.

It has been said that the Supreme Court is a political body rather than a Court of law, and in a sense this is true. This, however, is inevitable because the questions it has had to consider are political rather than legal. Thus whether the word "commerce" shall be construed in a wide or in a narrow sense is not a matter which can be determined by any canons of legal interpretation: the answer depends on the public policy which the interpreter considers is the correct one. The Supreme Court has therefore shifted from time to time in its construction of the various terms of the Constitution, most of them being so elastic that it is hardly surprising to find that reasonable men—and most judges are reasonable—may differ radically in their construction. Chief Justice Hughes' often-quoted statement that "the Constitution is what the judges say it is" was, of course, made in jest, but it does emphasize that

the Constitution, having been drafted in general terms, cannot, and ought not to be, construed as strictly as an income tax statute. This is hardly surprising, for it would have been a miracle if a document of less than 4,000 words could have supplied precise answers to all the various questions which have arisen in the course of one hundred and fifty years.

### CONCLUSION

In this brief sketch I have attempted to point out the essential differences between a federal State, such as the United States, and a centralized one, such as Great Britain. It may seem strange that I have said nothing concerning the position of the President or of the nature of the Senate and of the House of Representatives. These are, of course, of paramount interest to the student of the United States Constitution as such, but they are of no immediate concern to one who is studying the problem of federation. Whether a State will function as well under a Presidential system as under that of Cabinet government is a question of general application, and is in no way limited to federal States. Thus the federal systems of Australia and of the United States resemble each

other in many respects, although the former has a Prime Minister and the latter a President.

One word of caution in conclusion. The history of the American Constitution has proved that federalism can be a highly successful form of government, although some of the encomiums that have been placed on it in patriotic Fourth of July orations may have been exaggerated. It has, however, been particularly fortunate in the conditions under which it has worked. The United States is a single geographical whole, so that any barriers placed between one part and another would have to be artificial. Of even greater importance is the fact that the people have a single language, which means that there is no difficulty placed on intercourse and travel. The result has been that when one part of the country prospers, then the people from the other parts tend to migrate there. Thus the sudden development of the aeroplane industry in Southern California has not been at the cost of the working man in New York, where the industry first developed: it merely means that he has moved to another State where conditions for doing this particular kind of work are more favourable. This continual shift in population has therefore reduced inter-State jealousy to a minimum. Another element which favoured

the success of the Union has been the substantial uniformity in political ideas. Although the original colonies differed in various ways, Virginia for example having a stronger aristocratic tradition than Connecticut, they all recognized that liberty and democracy were the basis of their social life, and that these found their practical expression in the common law. The United States has also been fortunate in that it has had no religious division along territorial lines. It has never had to face the problem, which has proved so difficult in Canada, of a Catholic State such as Quebec and a Protestant State such as Ontario. Finally, there is at present no conflict in the economic interests of the various parts of the country, except the inevitable one between agriculture and industry. The one great conflict of interest between the slave-holding and the free States led to the Civil War, but no system of government, federal or otherwise, could probably have prevented that. To-day the United States, although divided into separate States, is, in fact as well as in name, a united whole. Whether federalism in other circumstances and with other, and perhaps less favourable, elements would prove equally successful cannot be considered here.

# SOCIALISM AND FEDERATION

By BARBARA WOOTTON

## I

THE term socialism is constantly bandied about in debate with reckless disregard for consistency of meaning. There are now sects within sects, and a bewildering variety of orthodoxies and heresies. In consequence it would be easy enough in all sincerity to write a tract on socialism and federation, of which many professing socialists would say that it was all very well, but that it had nothing to do with socialism. Indeed, it is already nearly impossible to write anything on this subject without provoking *some* socialists to say this.

In the hope, however, of minimising that supremely barren form of controversy in which the disputants use the same word in contradictory senses, I shall begin by writing down a few broad principles which seem to me to be the most clearly distinguishing characteristics of socialism, as the term is generally used by socialists themselves. For the purposes of this tract, then, a socialist is a person:

(1) who wishes to see available resources used in the way that will provide the best possible life and living for everybody;

(2) who sets a particularly high value upon economic and social equality for its own sake (i.e. a socialist is not content with establishing a minimum standard for everybody, if a minority enjoy positions and privileges of gross superiority);

(3) who believes that these first two ends cannot be attained without extensive collective and conscious planning of economic life, and particularly by far-reaching substitution of collective for private ownership of industrial resources; and

(4) who sees in the existing inequality of distribution of economic, social and political power (which he calls a class system), a major obstacle to the successful use of the instrument described in (3) for the purpose of achieving the ends described in (1) and (2).

To these propositions it must be added that a socialist always claims to be an internationalist; and that, if there are socialists who set no store by civil and political liberty, or who would cheerfully sacrifice these in what they conceive to be the interests of their socialist objectives, then this pamphlet is not written for them; because a

socialist who is not also politically a democrat cannot be interested in plans for democratic federation. The appeal in these pages is to the great body of socialists who both respect and accept the title of democrat.

Inevitably, these rough definitions still leave a good many loose ends lying about; but I hope that they will do something to tidy up what might otherwise be a very untidy discussion. It is obvious, of course, that assent to one or two of the above propositions in isolation does not make a socialist. They must be read as a whole. For instance, it is not only socialists who would endorse the first of the propositions. The anti-socialist would also say (to-day; but not a century ago) that he too wants everybody to have a decent life and decent living; but he would add that the best chance of achieving this is to give free play to ordinary commercial enterprise, and to prevent the socialistically wrong-headed from putting spokes in the wheel of an economic system which would do the job admirably, if it was only given a chance. It is also plain enough that planning and collectivisation can be (and are) used for purposes which would be altogether horrifying to any one to whom socialism means respect for social equality, for liberty and for the welfare of the common man. Planning and

collectivisation are neutral instruments. The socialist is convinced that they are necessary tools for his purpose; but he is aware that, as with other powerful weapons (such as the aeroplane), potential usefulness is apt to be matched by potential noxiousness.

Turning now to Federation, we need be much less worried over problems of definition. For Federation, being less ambitious in its pretensions, is correspondingly more precise in its meaning than is a general concept like socialism. Federation means the establishment over more than one previously independent state of a supra-national government with strictly limited functions. Those functions may be ranged in a sort of priority as follows: First is the rock-bottom minimum, without which a federation is not a federation, namely federal control of armed forces and of foreign policy. Next come powers which a large body of federalist opinion wishes to see federalised, but the lack of which would not actually destroy the distinctively federal character of a supra-national state. These are control of tariffs and other trade restrictions, control of migration, and of currency, and administration of any dependent territories. In this paper it is assumed that these powers will, in fact, be in the hands of any federal authority with



which we are concerned. Finally, comes a third group of powers, such as the right to initiate public works and operate public utilities, and to enforce standards in working conditions and social services. The range of these, as we shall see, will largely depend upon the attitude of the socialists themselves.

Within these limits the exact constitution of our Federation must be left unprecise till we know who is likely to federate with whom in what circumstances. So must its geographical area. Things change appallingly fast nowadays; but at the time when these words are written, interest is concentrated upon Federation as a possible solution of European, and particularly of Western European, problems at the end of this war; and as an objective upon which movements that are revolutionary in Germany and constitutional in this country, might focus their efforts to shorten the war, by removing the conflicts from which it sprang. It is, therefore, particularly a European, or at least a Western European, Federation that I have here in mind; though much of what is said may well have a more general reference, and be relevant to any and every Federation that is democratic, in the sense that the governments of the Federation itself, and of every member state, can be changed without recourse to

force. This last qualification must be understood to be implied throughout. There is no occasion to dirty valuable paper by discussion of federated dictatorship.

## II

Now the socialist's primary interest in such a European Federation is the interest, which he shares with every one who lives on this distressful continent, in the establishment of stable peace; but to the socialist, thanks to his urgent desire for social reconstruction and his international sympathies, this common interest appears plus a little something which others have not got. Let us see what the absence of peace and of a stable international order, particularly in Europe, has meant to the socialist movement.

Before the war of 1914 socialists had built up what looked like a powerful international movement. The socialist Second International (Second, because it followed Marx's abortive first attempt in the eighteen-sixties) boasted twelve million affiliated members in the socialist parties of twenty-two countries; *and it had no rival*. In the tension of international politics in the early years of this century the International set itself to meet the impending threat of war. In 1910 nearly 900 socialists,

representing twenty-three nations, met at Copenhagen to speak the mind of international socialism on this issue. The conference demanded disarmament, active working-class propaganda for peace, and an end to secret treaties; and it remitted to its executive the task of testing opinion on the possibility of using the general strike as a weapon to prevent war. The report on this last matter was to be submitted to a further conference called for August 23rd, 1914.

On August 1st Germany declared war on Russia. The same day the German socialists sent an envoy to their French comrades in an attempt to agree that both sides should vote against war credits. The French refused this assurance. On August 4th the German Social Democratic Party declared its acceptance of the "grim fact of war" and its refusal "to leave the fatherland in the lurch" in the face of "the horrors of hostile invasion".

From that day to this there has never again been an undivided international socialist movement. And, except for minute minority parties, there has never again been an international socialist movement which has not at one time or another taken sides in international disputes, and even exhorted its members to take up arms. The greater part of

the inter-war period was filled with the unedifying spectacle of internecine disputes between the reconstituted Social-Democratic Second, and the new-born Communist Third, Internationals. For many years the Second and its affiliated parties struggled to resurrect their traditional pacifism, based on belief in the need for common men and women, the world over, to recognise a community of interests that transcends national distinctions and flouts national boundaries. But after the rise of Hitler came a complete reversal. The British Labour Party, the most influential of all the members of the Second, swung over from complete opposition to the "rearmament of *any* country in *any* circumstances"<sup>1</sup> to support for a collective security system based upon the armed force of its members. In the war of 1939 the majority socialist parties in the Allied countries followed this policy to its logical conclusion, when they lined up behind, or joined hands with, their governments in the conduct of the war.

Meantime, the Third International, after more than a decade of fulminating against the "great betrayal" of 1914, against "imperialist war" and the "robber" League of Nations changed its

<sup>1</sup> These were the actual terms of a resolution (*italics mine*) passed *unanimously* at the Party conference of 1932.

tune also, with the entry of the Soviet Union into the League. In 1935, anticipating "the attack of a Great Power on a small one", it was instructing communists to "place themselves in the front ranks of the fighters for national independence and to wage the war of liberation to a finish".

The moral is plain. International socialism cannot stand up against international anarchy. The claims of national security, if not of rampant nationalism, are too strong. As long as there is no machinery other than war to deal with political gangsters, the socialist is faced with an intolerable dilemma. Either he must take up arms against his comrades, or he must lie down before aggression. He has generally chosen the former alternative. And socialism as an international movement is in ruins.

Nor is this all. The socialist is interested in equality and in the standard of the common man's living. It is thanks to the socialist parties that an impressive machinery of services has been set in motion (particularly in this country and in the Scandinavian States) which can at least claim to have done something to redress the crazily tilted balance as between rich and poor. But the greatest enemy of such social progress is always war and

war preparation. In this country, in September 1939, we had just reached the stage when we were prepared to keep all our children at school at least till fifteen, so that the schooling of the majority should only be three, not four, years shorter than that of the prosperous few. Instead, thanks to the war, compulsory school attendance, which had been part of our law for over sixty years, came to an end altogether, and has never since been fully restored. Again, in this country, in the budget of April 1940, the cost of one year's war was reckoned at £2,000 millions (an estimate that has already proved quite insufficient). How much is £2,000 millions? In Great Britain there are altogether some fifteen million insured wage-earners. The money assigned to war purposes would therefore suffice to raise the wages of every man and woman, boy and girl, amongst those millions by something like fifty shillings a week. I do not, of course, for one moment, suggest that such a flat redistribution would be the best use for that money, should the abolition of the war menace make any such sum available for social purposes. The figure is quoted merely to give an idea of the colossal possibilities which are closed to us by the persistence of international anarchy.

Thus, twice in half a century socialists have seen

the social progress of years shattered in a single night. Twice in half a century they have seen money desperately needed for the homes and health of the people diverted to the hideous business of war. So long as we have to carry burdens of this magnitude, so long shall we have, not socialist prosperity and equality, but poverty, malnutrition and colossal waste both of human and of material resources. It is intolerable that we should have to put up with this merely for lack of the machinery to stop it. But so long as socialists have no constructive international policy, so long will these burdens have to be carried.

In other words, the notion that you must get socialism first, after which all things international will be added unto you, is a notion which ignores the lessons of experience. By that method you do, to be sure, get certain things which have a place in the list of socialist essentials with which this paper opened. You get conscious collective planning of economic life—but planning in war for war. Planning for equality, planning for construction and for the daily welfare of the common man—these are indefinitely postponed. Everything is held up, or, worse still, put back, owing to our failure to deal adequately with the problem of international, and particularly of

European, order. Hitherto the socialist movement has attempted to tackle this problem by two alternating and mutually inconsistent phases. First a phase of pacifism, of assertion of the international solidarity of the working-class and of their determination not to fight or to arm against one another; then a complete swing round to popular fronts, to support of programmes of national or collective security and finally, in the case of the majority socialists, to whole-hearted participation in war. And all that has been won is the bitter taunt that it is thanks to the socialists that, if fight we must, we fight always unequipped and unprepared.

The question is then: Can Federation get us out of this impasse? Federation proposes to establish an authority whose business it is to deal with war-mongers *personally*; to take the instruments of warfare out of their hands, and out of the hands of the national states, on whose behalf, legitimately or illegitimately, they profess to act. Federation proposes to establish elementary order in the international field; and to do for states what the state did for individuals, when it put an end to the settlement of personal disputes by knife or bludgeon, bottle-end or pistol. When that kind of elementary order is established, then we can



talk about socialism to some purpose. But not before.

Still, however, many socialists are suspicious. They are suspicious because they do not believe that Federation will eliminate the causes of war. War, on this view, is economic in origin. It is due to the internal and external stresses of capitalist societies.<sup>1</sup> Says Lenin: "The question arises, then, is there, under capitalism, any means of eliminating the disparity between the development of productive forces and the accumulation of capital on the one side, and the partition of colonies and 'spheres of influence' by finance capital on the other side, other than war?" Says Pritt: "States fight to keep or to win markets and fields of investment, to distribute or redistribute the spoils of Imperialist exploitation of colonial territories. . . . They fight with quotas and tariffs, with prohibitions and trade agreements; and in the end they fight with shells and bullets and the bodies of working-men." Says Laski: "States do not cling to their sovereignty without cause. They do so to protect a body of vested interests

<sup>1</sup> The term capitalism, which has become quite as chameleon-like as its opposite number, socialism, had best be understood to mean anything in English, or American, or any other contemporary society (except the Soviet Union and the Fascist states), which conflicts with the socialist requirements set out on p. 270.

within those boundaries able effectively to invoke its protection."

Now war is a very ancient institution. People have been fighting wars for a very long time—much longer than they have been talking about capitalism and socialism; though not longer than there has been poverty and injustice in the world—which is always. It is reasonable to suppose that at different times in this long history, there must have been different kinds of wars originating in different ways. And it is also possible that, in the nineteenth century, economic conflict, and the desire to exploit less highly developed peoples, were primary causes of war: that it was the conflicts of interest between "a comparatively small group of extremely rich men" which resulted in "one destructive war after another".<sup>1</sup> But even in that period this is not an entirely satisfactory theory. There were plenty of occasions on which, as in the disputes which led up to the Russo-Japanese war,<sup>2</sup> fake capitalist interests were deliberately invented by governments as a smoke-screen to hide their own political ambitions; and plenty of occasions on which "high finance shook at its knees when any political complications

<sup>1</sup> Pritt: *Federal Illusion?* pp. 82, 83.

<sup>2</sup> For these and other examples see Robbins, *Economic Causes of War*.

cropped up "; just as, on the other side, there were plenty of genuine examples of financial intrigue luring governments into war in defence of vested interests.

But theory must keep pace with facts. In modern conditions the theory of the exclusively economic causation of war becomes more and more unreal. A state which plunges into war in the hope of winning new, or safeguarding old, markets is embarking on a hopeless enterprise; because, whatever else modern war may do, it does not get or keep you markets, not even if you are victorious. The British were victors in the last war, and have been in trouble ever since for loss of the markets which the winning of that victory cost them. And "the small group of extremely rich men" must be stupid beyond belief, if they seriously imagine that total war is going to be good either for their riches or for their political power. If they have not yet learned from experience that modern war is no respecter of life or property, surely the aeroplanes will teach them soon! But the zeal with which many of these rich men supported Chamberlain's appeasement and peace-at-any-price policy suggests that, on the contrary, they already see well enough that their bread is not buttered on the side of war. Economically, modern war is the

unmistakable ruination (as that word is variously understood in various stations of life) of rich and poor alike.

It is true that an economic colour has been given to the present war by the immense fuss made by the German government about the hardship due to the loss of their colonies. Facts and figures, however, have established beyond dispute that the economic resources of colonial areas have been greatly exaggerated; although those who supplied these answers were not always quick to draw the obvious conclusion that what would be so little advantage to the Germans to acquire must be equally little loss to its present owners to surrender. All this sham economics, however, fits in with a much more realistic explanation of modern war, namely that it is a completely irrational survival, which persists because it is traditional in our culture; because pride in one's country means, first and foremost, if not exclusively, pride in its fighting strength; because no steps have been taken to prevent neurotics and gangsters from wielding power in international politics; and because (alas!) war satisfies a certain desire for working together in a common cause, to which our peace-time way of living is stupidly inattentive. War is a monster, in fact, which feeds on itself. Colonies are not

now, generally speaking, economically of first importance. You can point out to the Nazis a thousand times over that the value of the precious materials which they imported from their colonies, when they had any, was less than one-hundredth part of what they got from the rest of the world—and still they will not be satisfied, because colonies are prestige, and colonies are the sinews of war. Access to rubber and oil does not mean just the certainty of always being able to buy tyres for buses, and petrol for family cars. It means military security. We must have empire to protect us against the risk of war. We must have war to protect our empire. That is the vicious circle. It is now twenty-five years since Bertrand Russell proclaimed war as the offspring of fear and went to prison for his opinions. That did not prevent him from being right, any more than the same treatment prevented Galileo from being right, when he said that the earth went round the sun and not *vice versa*. Men fight less for markets than for fear, for national glory, and for fighting's sake.

So we come back to it that the only way to break this circle is to establish a supra-national authority with the power and the duty to keep order. Whatever the root causes of war may be (and it is most important that we should probe

further into these) the immediate step is to deal with the *fact* of war. The domestic analogy still holds here. It is vitally important to probe into the causes that make burglars burgle and murderers murder, and, if possible, so to change the structure of our society that people cease to do these things. But you cannot wait to establish a judicial and police system which will deal with the *fact* of burglary and murder until these far-reaching researches and changes have been carried through; if only because these researches and changes themselves depend upon immunity from murder and burglary. And the problem is the same with international, as with domestic, crime.

### III

The fact that social progress is contingent upon international order is the primary reason for socialist interest in Federation; but it is by no means the only one. There are more positive grounds also. Conscious and planned direction of economic life over a wide area, is essential, in the opinion of socialists, in order to achieve the equality and prosperity for which they hunger. They have, therefore, a particular concern with the economic aspects and possibilities of Federation.

For the scale of plans is hardly less important than their content. Common sense suggests that the appropriate scale must vary enormously according to what you are dealing with. Common sense also suggests that it is extremely unlikely that the nation-state is the largest unit in this shrinking modern world of which constructive economic planning should ever take account. To take only two examples, the planning of transport and the planning of power on a purely national scale is quite out of keeping with reality. Western Europe at the very least is, or rather ought to be, a single power-cum-transport unit. Some years ago the socialist Labour Party in this country produced a scheme for a publicly-owned and publicly-operated combined coal and power industry. Within its own limits it may have been a wise enough plan; but it would have been far more effective, had it been able to link up British coal and power production with that of states across the water (some of which had played their part in bringing the British mines and miners to their sorry plight). A European Federation would be thinking in terms of such things as a publicly-owned European grid and (most decidedly) European airlines. Only under the settled and ordered government of a Federation is it possible

to create interstate public utilities that are operated for the common welfare. In the Soviet Union the economic unit ranges from the All-Union enterprise to the village co-operative. In the (much smaller) area of non-Soviet Europe international anarchy condemns us always to stop short at the intermediate stage.

Other economic problems now also require a larger canvas. The socialist state is a social service state. Hitherto, tentative efforts have been made to raise international social standards through the activities of the International Labour Organisation. Like the League of Nations, the I.L.O. has no authority and no sanction behind its decisions. Its history is a pitiful record of work begun, but left undone for lack of power of enforcement. During the first (and most successful) ten years of its history only about one-third of the possible total of ratifications of twenty-six agreed conventions had been secured. Twenty-five countries had ignored every single convention, and the majority had ratified less than half of the total. In other words the I.L.O. method of "legislation" has been, at best, less than thirty per cent effective.

A government with authority behind it does not tolerate thirty per cent observance of the law! What the International Labour organisation *tried*



to do for Labour standards, a Federal government *could* do, within its own territory. It is not necessary that the Federation should have exclusive power of legislation in this field. In view of the great variety of local conditions and possibilities, it is not even desirable that it should. What is wanted is a federal constitution which gives concurrent powers to both state and federal governments to legislate on labour matters, provided only that in cases of conflict the latter must prevail. In this way a system of federal minima can be combined with higher standards in states where socialist practice is more advanced; and the citizens of the latter can be relieved of their perpetual fear of the low-standard neighbour across the frontier.

Finally, Federation smooths the path for that great ally of international socialism, an international Trade Union movement. Experience has shown that it is possible to build Trade Unions that are capable of concerted action over vast geographical areas, provided that they do not extend beyond the boundaries of independent states. Only in the case of the (unfortified) Canadian border has this limitation been overcome; and that only in certain industries. But over the great territories of the United States the

Railway Workers, the Mine Workers, the Garment Workers, to mention only a few, have built powerful nationwide societies; whereas in Europe the international Trade Union movement has suffered exactly the same disasters as have the socialist internationals. It, too, cracked in 1914, under the stress of patriotic loyalty, when the German Trade Unions "accorded the most loyal support to the civil and military authorities"; and the British and French followed suit in their respective countries. And it cracked again in the stormy nineteen-thirties. Even during the intervals of comparative peace, its activities have been confined to consultation and conference (always without power to act) and to occasional mutual financial assistance in a modest way. Its conferences were conferences, not of fellow citizens, but of foreigners. Even in cases of the gravest social injustice, in Europe continental solidarity of the workers, even in a single industry, has remained always a dream. Yet from the Atlantic to the Pacific coast continental solidarity is both practicable and practised.

#### IV

The foregoing arguments are not affected by the immediate events of the present war. They would

have equal force even, if the independence of Poland, Belgium, Holland, Norway, Denmark and France, and all who went before or may come after, had never been lost. But, paradoxically enough, the tragic plight of Europe actually adds point to the socialist-federalist case. For to-day (November 1940) the European peoples from the Baltic to the Atlantic on one side, and to the Mediterranean and the Black Sea on the other, live under what is substantially one rule. The continent has indeed been unified—unified by conquest and under tyranny.

Sooner or later, we who reject that tyranny hope to be in a position to decide what is to be done about that unity. One course is simply to break it up: to restore the pre-war European chess-board and to re-establish the independence of as many of the old jealous, frightened states as possible. (Frontiers might perhaps be drawn with a little more regard to professed principles of national self-determination, and a little less strategic cynicism. But these are details.) We can, if we wish, forget both the logic of twentieth-century technique and the wider horizons of twentieth-century citizenship, and set to work to break the Nazi Empire into at least as many pieces as went to its making—if we wish. But is it conceivable

that any socialist really does wish to take this line? To do so means to re-establish at least eight separate tariffs; at least eight different currencies; and at least eight different sets of rules for excluding the workers of one state from entry into the territory jealously reserved for their comrades in another—all within an area which measures only three-fifths of that of the United States and less than one-third of that of the Soviet Union. It means also to re-open the door to all the old quarrels between the so-called haves and have-nots, as well as to the shameful system under which exploited colonial peoples are bandied about as the prize in the hideous game of European power politics. It is hard to believe that a movement which was launched with an exhortation to the workers of the world to unite, and which has consistently condemned the political tutelage and economic servitude of the black man, can put its influence behind a programme so narrow and so exclusive.

The other course is to accept the fact that, by foul means if not by fair, the old disorder is gone for ever; that it is not the disintegration, but the transformation of the far-flung Nazi empire which must be our aim; and that the common welfare of all who have suffered under Nazi rule is the

basis on which a new and wider order must be built.

That transformation cannot, however, be accomplished except within a political framework. Economic common sense, to be sure, takes no notice of political frontiers. But economic common sense cannot operate by itself. The history of the past ten years should be enough to knock the bottom out of the simple view that economics are always the master, and never the servant, of politics. For all those years the states of Europe have been engaged in a gigantic and suicidal game of competitive self-impoverishment. And they have played that game partly because their economic policies were subordinate to the greater and still more dreadful game of power politics, the rules of which none dared to defy; and partly because there was nobody with authority to stop them. The unity of Europe did not come about, and will not maintain itself, merely because it has economic advantages. It will be maintained so long, and only so long, as an established political government is in a position both to give expression to the need for that unity, and to support it with the force of law. For the anti-Nazi there is only one question: what sort of a government is that to be?

## V

The plain truth of the matter is, then, that socialism and federation are complementary parts of the same whole. Recently the persuasive pen of Mr. Strachey<sup>1</sup> has sought to present them as alternatives. It is an unnatural and unnecessary choice. One might as well assert that in house-designing the choice is between kitchen and bathroom. It is true that a house can be built which lacks one or the other of these conveniences, just as it is true that non-socialist federation is entirely possible. To the socialist, a federal government which disregards the social values which he rates so highly, and neglects to use the instruments on which he relies, is admittedly as poor a substitute for a socialist federation as is a house without a bathroom for one with kitchen and bath. Again, it is true that, within a limited national area, conscious economic planning can achieve some approximation to the socialist ideal of equality. But to accept this restriction to the national plane is like fussing so much over a bathroom that one entirely forgets the need for a kitchen.

The position that the socialist has to face amounts, in fact, to this. Political federation is now

<sup>1</sup> In his book *Federalism or Socialism?*

a necessary condition for ordered political activity of any kind. Indeed, it is probably a condition of mere survival. Federate or perish, as Attlee said. But the nature and the possibilities of any Federation, if and when it comes, will depend upon the aims and objects of the men and women who are instrumental in bringing it to birth. That is why to boycott the idea of federation on the ground that that idea is not inherently and inescapably socialist is a most short-sighted policy; because in that way the danger of non-socialist or anti-socialist elements dominating the drive towards larger political units is gravely magnified. For a socialist to demand, on this account, a boycott of federalist movements is like refusing to ride in a bus because buses can be used to carry people to anti-socialist meetings. Federation itself, like planning and collectivisation, is a neutral instrument. It is the job of the socialist to direct its great possibilities towards his own particular ends. To do that job effectively, the time to begin is before, not after, Federal Europe is an accomplished fact.

For the time has come when we have to recognise that the needs of the common man and woman can only be met by a programme in which there are three equally essential elements. First comes civil and political freedom—the common platform

of all professing democrats, socialist or non-socialist, from the eighteenth century onwards. We must have the right to speak our own minds and to listen to what is in the minds of others, to be free from spying and arbitrary arrest, and to say our say in the choice, and in the criticism, of those who exercise political power.

Next come our social and economic needs. We must be freed, in this age of plenty, from the tyrannous spectre of want and insecurity. We must not be the victims of economic power concentrated in the hands of an irresponsible minority. We must not suffer exclusion, on grounds of birth or poverty or other social inferiority, from opportunity to make the most of our talents in the service of the community. We must not be exposed to the indignity and humiliations (or corrupted by the arrogance and narrowness) which every system of social stratification brings in its train. It is in this struggle for social and economic security that the socialist has given most conspicuous service. It is for these ends, and no others, that he wants his planning and his socialisation, his redistributive taxation and his generous social services.

The third element is the creation of a supranational authority—partly, as we have seen, as a means of putting an end to the incessant mutual



destruction of peoples who claim to stand in the front ranks of civilisation; and partly as itself the indispensable instrument of socialist planning, on a scale commensurate with the technical and economic realities of the age in which we live.

No; socialism and federation are not the true alternatives. The true alternatives which face the socialist are these. He can continue to socialise and plan and equalise within his own particular territory and under his own particular flag, leaving his (still foreign) comrades in equal isolation to do the same. He can shut his eyes to the yawning gap in socialist programmes which the decay of internationalism has torn open. He can follow the road of the past twenty-five years—twenty-five years in which the socialists of this continent have twice abandoned their class struggles and their social programmes, in order to take up arms against their comrades: twenty-five years in which “socialism in our time” has been degraded into the bastard parody known as National Socialism.

Or he can reject what has proved itself to be only the socialism of the battlefield and of the war cabinet. He can admit in Laski's phrase “the necessity for world control where the decision is of world concern”, recognising that “the sovereignty of the State is incompatible with a

just system of international relations ".<sup>1</sup> He can demand the " concepts not of imperialism but of federalism ".<sup>2</sup> In the graves of France and Flanders and the ruined homes of London he can read the implications of international anarchy in a shrinking world; and he can consign the nation-state to the limbo of out-worn political systems, as he has already consigned the private bank and the workhouse to the limbo of economic anachronisms. That way alone can he, at last, release the creative socialist internationalism that has been so long and so painfully frustrated.

<sup>1</sup> Laski: *Liberty in the Modern State*.

<sup>2</sup> Laski: *Grammar of Politics*.

# ANGLO-AMERICAN UNION AS A NUCLEUS OF WORLD FEDERATION

*By* GEORGE CATLIN

## I

OUR ultimate object is the Federation of the World. As Mr. Winant said, speaking at the XVII International Congress of P.E.N., "what some of us really want is a world citizenship." Alfred Tennyson, who seems to have prophesied with uncanny precision the airplane and poison gas, prophesied that Federation also, in famous lines. In a world that can now be girdled in eight days anything else is an anachronism. If this, however, is to be our goal we must make a beginning somewhere. It is no good living in the realm of a vague universalism, just as it is spineless to talk of something being 'inevitable' which we do nothing active to promote. Who will not begin somewhere, now, with a concrete example of union, will end nowhere.

There is urgency in making this beginning. There is no cause in the world for which there is more urgency—for this cause is no less than

that of the abolition of war. Even slavery was justified in its time as contributing to the building of civilization. War directly involves the destruction of civilization. Of Confucius it is said: "The subjects which the Master treated with great solicitude were starvation, war and disease." Cardinal Hinsley, in his Advent Pastoral Letter, writes "unless it be waged to secure a just and lasting peace, war is an undiluted crime." The great political object of Britain, China, Russia, and America is to win this war. But it is *during war* that public opinion is receptive of great changes.

The abolition of war is an issue now, in our age, fully as urgent as was the abolition of slavery in the last century.

The only tolerable war is a war to end war, if indeed such a means can be effective—the imposition on states of an order which guarantees an enduring peace, such as includes personal freedom and justice.

*The pre-requisite of peace is the acknowledgment of a wider community with its wider moral loyalties. As the poet Dante said, the condition of peace is unity. He who wants peace wills, where feasible, the Abolition of Frontiers. To will the abolition of war is the categorical moral imperative of our day. Prosperity and economic justice, the freedoms*

from fear and want, alike in the long run depend upon it. Economic justice without peace is the discussion of seats at a banquet in a waterless desert.

Long ago we learned that England or Scotland could not be, in any sovereign sense, self-sufficient. We substituted first Great Britain and then the British Commonwealth. But the historic process does not come to a full-stop. That process must continue.

The object is Union. But allowance must be made for the claims of nationalities so far as these are legitimate. Cultural autonomy, as in Wales and Scotland and Ireland, is the due of nations. National state sovereignty is not. Thus we have the Union of Great Britain which, however, allows some measure of cultural autonomy even to the English. England is not a sovereign state, nor has it been for over two centuries. Nevertheless, the Englishman and Scotsman regard themselves as fully self-governing. We honour the spirit of Poland—but also of Scotland and Ireland. These last are not the less self-governing because they do not claim absolute state sovereignty, which indeed is but the new form of the old anarchy—a historic phase, like feudalism, due to be superseded and, for two centuries, quite unacceptable in Britain or in the United States. The ‘humanities’

should take royal precedence over all national claims—and, in our hearts, we know that they should.

*Union is, I have quoted Dante as saying, imperative for peace.* That is an absolute demand. Federalism is not an absolute demand, but a constitutional convenience. Nevertheless a further concession, beyond what we have in the Union of Great Britain, can reasonably be made to the local spirit. We can, therefore, if it is desired, substitute a Federal for a Unitary constitution. (We can indeed take as first step, as happened in the United States and is suggested between the Danubian states, that of establishing a Confederate constitution or one comparable to the British Commonwealth.) Thus, using an old and historic phrase of Henry Clay's, with these safeguards many, including the great Lord Lothian have spoken, not only of Union, but of Federal Union. There might be a case for speaking simply of Union which has various forms, technical, economic and civil. The alternative is Hitler's prescription of a revived Roman Imperialism.

Man is so constituted, being part angel and part ape, that we cannot expect the federation of all mankind over-night, although the old philosopher Kant said that even a race of devils would produce

a world federation were the devils but intelligent. Sometimes, however, the devils are romantic devils—which are the most dangerous of all, but not very intelligent. We must then—those of us who are in earnest about peace—*begin somewhere*. The practical question is “where?” The greatest of all dangers is that *no beginning at all* is made.

## II

M. Denis Saurat, in a recent address, quoted with approval an economist as saying that, in the post-war reconstruction of the world, politics would take precedence of economics.

M. Saurat went on to say that cultural factors must, in his view, take precedence of either. Those will unite first who have a moral and spiritual ground on which to unite. To take one instance, different peoples assign quite different degrees of importance to the value of individual human life. *It is impossible, by talking of economic and political machinery, to avoid the cultural and moral factors. What are these areas of existing moral community? What are, in fact, these areas which should first unite, as nuclei for the rest?*

The Germans are trying to unite Middle-Europe on the ideological basis of Race. Their dilemma

is that, when they cross into the Slav and the Latin lands, race-theory has to give way to a new ideology of Roman imperialism. On the other hand, after this war it is entirely practical politics that, thanks to revolt, we may have, based on Marxist morality, a Soviet Communist Europe, stretching from Moscow to Paris. *The Times* (7.4.42), moreover, speaking of Bulgaro-Russian relations, refers to what it calls a possible 'betrayal of the Slav cause'. It might be more desirable perhaps to see a U.S.R.E.—a Union of the Socialist Republics of Europe or Democratic Federation—which a liberal Anglo-Saxony, with a New Economic Policy, might encourage no less than Russia. A Cripps might here take the lead. Again, for nullennia, the great and mature civilization of China has, by a common culture, held together the institutions of that country, rather family than civic, in a unity; and will probably continue to do so.

There remains the West, and the civilization of the West, which not only embraces the New World and much of the Pacific, but which still offers itself in Europe as upholding the desirable standards of civilization and as proposing to play a major role.

Unfortunately its power to do this is greatly hampered by the internecine division of what are



called, on the continent of Europe, the Anglo-Saxon peoples between Empire and Republic, between Eastern and Western half. United, their power—taken as a core, in conjunction with others of the United Nations—would be very great indeed, although not unquestioned, in offering a way of life open to the whole world. The uniting force would be their Tradition of Freedom.

*The decisive role and key position will be noted which I am here assigning to common civilization, morality, standard of values, way of life, tradition and, for that matter, standard of living.* It was one of the greatest of nationalists who was also one of the greatest of internationalists, Mazzini, who adopted this position. He thought, not of the Concert of the Powers, but of a veritable orchestrated concert in which those who shared humanitarian ideals might join together, without sacrificing each his particular talent. I hope that the work of a Mazzini or of a Fichte can be done again.

If this emphasis is right, then the primary thing about any Union will be, *not its constitutional form imposed by legislators above*, but the reality of the sense of membership of one community engendered among the *people below*. It is the habit of the lands of the Common Law to look first to

custom and customary law, then to statute law and judiciary, then to the organs of government and to written constitutions. In this they are different from the lands of the Civil Law, Roman and imperial in tradition, which look first to the ultimate competent authority, which then issues commands, legitimate in terms of some written constitution or scheme, to which the people finally conform.

It is for this reason that I attach infinitely more importance to *common citizenship*, as the juristic recognition of what already exists—this common sentiment of a wider community—or even to *technical and administrative inter-locking*, than to brand-new constitutions, however logical and complete.

Granted that we are agreed about what are the areas of common civilization at the moment easiest to organize, then, in my view, the immediate tasks are to ensure the practice of habitual collaboration, to deepen the sentiment of unity or of 'us,' and consequently, to give juristic recognition to this in terms of common or reciprocal citizenship. This limited objective is here stated not because much more may not be beneficial, so soon as it is practicable, but because I do not regard further lawyers' work as the next step.

Modest instalments of political collaboration and of juristic recognition of unity are requisite now. Less than this will not stand the strains and tensions of forces making for dissension and weakening. Nevertheless, at every moment our present concern must rather be to stress the moral community, the cultural relations, and to raise the uniting and distinctive tradition of freedom to articulateness, to assertion and to the pitch where it inspires dynamic faith.

Peace, which is freedom from fear, may be found under an imperial and despotic system. Such was the *pax Romana*. Freedom from fear, however, never complete while there is a secret police making its own secret war, is to be sought, so long as we have a choice—and we may not always have one—in conjunction with the other freedoms. Not only must we seek actual peace by itself, or peace and economic justice, but peace, economic justice and liberty, if true civilization is to advance. We are, then, concerned with a particular organization of peace. But we are also legitimately concerned, so far as feasible, to answer with whom we shall organize it. Who share these values with us? *Who has one tradition with ourselves?* Federal Union with Russia or with China may be desirable, their citizens becoming our

citizens. Is it immediately practicable? If not, what union, federal, confederate or technical, is now practicable?

### III

Since this tradition and civilization are open for all to share who like it—although I have called it a tradition of the West and, in core, of the Anglo-Saxon peoples—and since this union is open to all ‘like-minded peoples’ to join who choose, there is *no question of a new imperialism*. We propose a free association, achieved not by conquest, but by peaceable consent. Whatever may be the conditions for permanent unification in central Europe, in the West nothing else has ever been suggested. It is not even that subtler imperialism, an economic imperialism. Within its own area, its projected policy is that of free trade. Outside its area its policy is laid down in the Atlantic Charter. The association is a matter of moral choices—choice of those with whom we propose to become co-travellers, those who are *like-minded* with ourselves. We propose a Union to preserve the values of human brotherhood, the dignity of man as man, and economic justice for the forgotten men. We propose to do this in collaboration with China and the U.S.S.R. China must be stressed, since there

must be no question of a 'white bloc'. But we propose to make this beginning of intimacy in our own vicinity.

In the words of Hr. Trygve Lie, Foreign Minister of Norway, "As an Atlantic people we want above all a strong *organized collaboration between the two great Atlantic Powers: the British Empire and the United States*. This is our primary concern and the very condition of our [Norwegian] participation in any international order in Europe." Hr. Lie goes on to stipulate that there shall be an "amicable relationship" with China and the U.S.S.R., in the outer circle of Powers all embraced within the world-wide network of international relationships.

Following along the line of thought which first received definite expression at the time of the Treaty of Locarno, the British League of Nations Union has recently proceeded to differentiate between an Outer Ring of States—a world-wide circle—all of whom owe an obligation of benevolent activity to League members if attacked, even if an activity short of military intervention, and an Inner Ring of those more directly affected, who are under an obligation to support their members by active belligerency—"unlimited obligations to resist aggression in limited areas."

The concern of Unionists is especially to develop this active and more intimate relation of the 'Inner Ring' (a rather unfortunate word) or 'Inner Circle,' while never forgetting, but instead insisting, that all 'Inner Circles' must be fitted into place in a world-wide League which will hold these Circles together and obviate the risk of "bigger and better wars" between regions.

I do not for a moment deny that the existing jealousies and difficulties are profound, even inside the Anglo-Saxon world. I wish rather to emphasize this by every means in my power, since it provides the sting of urgency. Were no other reason given for a bold forward policy of unification, an adequate one could be found in the catastrophic consequences for civilization of a revival of these old jealousies again after the war.

Obviously the goal of *world citizenship* must never be forgotten. Obviously also *other peoples* must immediately be included in this Union of the West, Scandinavians, men of the Low Countries—perhaps the French, unless we see a U.S.R.E., a Union of Socialist Republics of Europe. Obviously, again, there must be collaboration with China—so easy for America from reasons of old amity—and with the U.S.S.R. The effecting of this collaboration, within the framework of

the League, should not be beyond the powers of social engineering, granted will to collaborate. Without that will, plans are futile, by whatever name, and the need is to be strong.

#### IV

Public opinion in the United States and the British Commonwealth is not unreceptive of the notion of a wider union in which both would share. So far as British opinion is concerned a representative view is expressed in a letter I have recently received from the chairman of the international service committee of an English Rotary Club. He writes:

“ . . . I think you misjudge the attitude of this country in stating that we are less interested in the idea of an Anglo-American Nation than the citizens of North America. I believe that if a formal proposal was made from America now, our government would have the support of nineteen men out of twenty in accepting it. The man in the street may not be as well informed as he ought to be, but he's shrewd enough to realize that the advantages to the world and to the British Empire would be so enormous that the proposal needs no discussion in principle, though the details of course would.”

This opinion is confirmed in a judicial article in the *Economist* (May 17th, 1941); which was at the same time highly critical of Mr. Streit's more detailed constitutional proposals. The writer in the *Economist* said:

“ Union of the American and British democracies—reunion, it could more aptly be called—is a very high and noble ideal. Indeed, it is not merely *an* ideal, it is *the* ideal; and it is not merely the ideal, it is the attainable objective for practical politics—the great political aim of this century. . . . We have been forced back to barbarism to defend civilization; we have had to risk all to ensure security; we have had to plan wickedness in order to win righteousness. But out of this pain and degradation has been born the great redeeming hope of new comradeship and unity between the two halves of the great Atlantic Commonwealth. It has taken the horrors of these past twelve months to conquer pride at one side of the ocean and prejudice at the other. . . . British-American unity is, indeed, a necessity, both for the defence of civilization and for its further progress. . . . If Atlantic unity alone can win the war, Atlantic disunity can easily lose the peace. . . . Union was offered to France in all solemnity in the dreadful days of last June, and if complete Anglo-French



Union, with its no smaller difficulties and its far smaller rewards, was a practical proposition, some degree at least of Anglo-American unity cannot be impossible. Nothing prevents it save men's ideas, and they are changing fast. . . . In any such movement towards reunion, both countries will have to make sacrifices. And the British sacrifice must be to recognize that we are the weaker, and the less numerous partner. This does not mean that Britain's day as a Great Power is over or that her strength and spirit are on the decline—the events of 1940 mock the very idea. Because of her exposed position, the initiative may well rest with her for decades to come. But the ultimate decision must rest with the ultimate power, and that, increasingly, lies over the oceans. If the British people have not lost their political wisdom, they will neither blink this fact nor cavil at it."

It is important in this connection to note that schemes of Union, civil or technical, which go—as most of them do and should do—*beyond* the United States and Canada or the United States and the British Commonwealth, some to include Russia and China, in practice would necessarily *also include* these first areas. Therefore discussion of the issue of a 'mixing' of them is not obviated.

In the United States and the Dominions the whole issue has, by tangible evidences, received far *more attention* than in Great Britain. Meetings are far larger. Newspaper attention is more extensive. It is from certain British public libraries that Federal Union literature is banned. Whereas scarcely a single recent broadcast has been delivered on the Union issue by the British Broadcasting Corporation, Mr. Streit's point of view has repeatedly been presented in 'link-up' broadcasts in the United States. The present writer has never had any difficulty in presenting his somewhat different and more purely cultural view (outlined before he had seen Mr. Streit's book) both in the United States and Canada, so long as it was feasible for him to proceed to these countries. No trace of official opposition was encountered in either country, which is not the case in Great Britain. Rather the contrary was and remains true. Moreover, I recall the reply of John Gunther to someone who explained that, of course, Federal Union could not be expected between the British Commonwealth and the United States. "Well, you offered it to France . . ."

An analysis of the recent (March, 1942) *Fortune* Poll in the United States shows only 3.5 per cent

in favour of 'a close connection with the British Empire' when put forward as the *exclusive* proposal for a post-war 'new order'; but 6.5 per cent in favour of 'one government' of the United States and British Empire as the appropriate measure (among others) in relations between these two. A further 36.5 per cent—or 42 per cent in all—would give the British Commonwealth favoured treatment and enter into commitments for mutual defence. Also, on a separate question, 42 per cent would have free trade with the British Commonwealth. 24.4 per cent were in favour of full governmental union with Canada. 6.9 per cent favoured one governmental union of all the Americas; and 8.4 per cent favoured one governmental union of all democracies (as distinct from 3.5 per cent, with the British Empire alone). A further 34.3 per cent favoured a new 'League or association of all the different nations of the world'—making a total of 18.8 per cent for some kind of governmental union and 53.1 per cent for some kind of association, as against 27.3 per cent which were generally isolationist. 50 per cent apparently would exclude Germany, Italy and Japan from 'all the different nations' to be associated, at least for the time being. 74.7 per cent would give favoured treatment to Canada. The *Fortune* poll of December,

1941, showed 59.7 per cent favouring some kind of union of democracies to maintain order; and the 'National Opinion' Poll of March, 1942, showed 85 per cent in favour of "the United States trying to form some kind of Union of the Allied countries to help keep peace and order in the world." The polls seem to be pretty consistent: probably a large majority for 'some kind of Union' of the Allied countries, including the U.S.A. and British Commonwealth; a large majority (74.7 per cent) for special treatment for Canada; a very substantial minority (42 per cent with 10.1 per cent not polling) for the same treatment for the British Commonwealth; and significant minorities for the principle of full governmental union, rising to 24.4 per cent for its application to Canada.

Opinion in the United States runs the gamut between those who claim that, after this war, it is inevitable that Great Britain should become in effect a colony of the United States, and those who allege that the whole proposal of a closer unity is a nefarious scheme for bringing back again the United States under the domination of the British Empire and throne and is a treasonous undertaking for undoing the work for which the American Fathers fought and bled. Those who hold this

last position so patently stray wide of the actual facts that, although it is inevitable that their view should be expressed, their influence is likely to be very limited once the proposals are placed, frankly and without dissimulation or official timidity, before the American public. Far more are likely to hope for 'World Federation in one step'.

It was Thomas Jefferson himself who was not afraid to propose a marriage of the United States and the British Navy. The kernel of the situation is that even the American 'isolationist' is not usually a 'national isolationist' but a 'hemispheric isolationist,' who can be relied upon to be highly interested in all affairs of the two American continents, the Pacific and the British Dominions. He has not the slightest objection to building up a vigorous Anglo-Saxon power. Indeed, that is his very defect. His sticking-point is against becoming involved in the affairs of Europe. For these purposes, his habit—not a necessary one—is to count Britain, and even Ireland, in with Europe. This point of view is almost as prevalent in Canada, where there is, in many representative quarters, not the least interest (infuriating although this may be to Englishmen) in getting bound up with Europe. Incidentally, were Britain defeated to-morrow, although the interventionist might be

discredited, the isolationist would in self-defence have to become, overnight, the most vigorous exponent of a North American and Pacific Anglo-Saxondom.

After the war there is every likelihood of a general ebb, both in Britain and in the United States, towards isolationism. The more far-sighted circles appreciate the need to prepare for this. *Some kind of area of catchment is required for the waters of American interest as they recede.* The issue is whether, not so much the Dominions, as Britain (not to speak of Western Europe), is to be left within this catchment area. The economic situation, the case for reconstruction by very large-scale American aid in Asia and Europe, for food purchases and distribution, and, as Dr. Luther Gulick has suggested, for transport, all tend to maintain American interest in a wider sphere. Existing and new organizations, together with the recognition of the political need for Anglo-American collaboration as essential, tend to bind together the two sections of the English-speaking world, despite all the economic tensions stretching the other way. This need is not unrecognized by informed American public opinion.

Against this have to be set the prejudices of elements in the United States imperfectly as-

simulated by 'the Melting-Pot,' and of the very various nationalities in some of the Dominions—elements imperfectly harmonized with the tradition of Milton, Jefferson and Lincoln—who have carried overseas the racial animosities of the lands of their origin. A mixture of peoples is desirable when it is a guarantee of an international and humanistic outlook. It is not so satisfactory when it means that a newly-acquired citizenship has not really replaced primary loyalty to the old tribal gods, and that loyalty to the new obligations and the wider aspirations of liberalism cannot be counted upon. Nor is any community of the United Nations at all possible in the sense in which the ancient Greeks used that term.

The proposals made in February, 1941, by Mr. Wendell Willkie, American Republican presidential candidate, and quoted in my *One Anglo-American Nation*, are here relevant:

1. An economic and social union of the United States and the British Empire, which in effect will constitute a bond of brotherhood linking the English-speaking peoples of the world.
2. The abolition of all immigration barriers between countries comprising the British Commonwealth of Nations and the United

States, giving to holders of American passports in any part of the British Empire and of British passports in the United States the full value of citizenship.

3. The permanent fixing of the dollar-sterling rate of exchange, coupled with a similar pegging of exchange values between the United States and the various member-States of the British Empire.
4. The introduction of a scheme of interchange of industrial leaders and workers to the end that industry in both countries can learn the weaknesses and strong points of each.
5. A substantial increase in the numbers of 'exchange' professors and students, including children of elementary school age, making permanent the advantages now enjoyed by wartime British young evacuees in the United States.

These very striking proposals can usefully be taken in conjunction with the statement of general principle expressed by the American Ambassador, Mr. Winant, with which what has been said above, about the role of a free tradition, is consistent in tone. Mr. Winant said:



"The common ideals of the English-speaking peoples of this world are not ideals from which other peoples of the world are excluded. . . . Our strength comes from diversity and our freedom is born of tolerance—tolerance of other people's origins, other people's religions, and other people's ideas."

The movement towards Union in the West regarded as 'a beginning for us' or as simultaneous with, e.g., Balkan and Danubian Union—the Union of the Socialist Soviet Republics already exists—can be regarded as 'inevitable.' This is a view taken in some quarters. It was certainly not so regarded ten or more years ago, when the present writer began writing on this theme, or even five years ago. It is not at all sufficiently 'inevitable' to-day, and this determinist plea is no adequate excuse for a spineless inertia which in fact retards necessary action. I am not one of those who believe that the death of enthusiasm is the birthday of wisdom.

Although, outside its confines, in France, Germany and Russia, an 'Anglo-Saxon' core, called by that name, is generally recognized as a political reality, those within it who 'fail to see the wood for the trees' are countless. They can only detect differences, and stress the American or British

minorities. Such critics are as numerous as the sands of the sea, and much of this sand is piled up in high places.

Others stress what the two peoples can do for world peace, but so far grossly underestimate the unpopularity of both Anglo-Saxon peoples on the Continent of Europe, as to spend their time in the happy occupation of mapping a rosy future, without considering how very little can be done at all by these people if divided.

If indeed the movement to the Union of the West is 'inevitable,' do not let us remain supine under the feet of the elephants of Destiny. Let us have the energy to get on their back, to ride 'the inevitable' towards some assured human good. To say that "although inevitable, nothing can be expected to happen for fifty years," is to say that this 'inevitable' will only move on the road under the impetus of the Third World War. That is not good enough . . .

*Not only must these peoples be united, but it is desirable that, at the earliest feasible moment, other peoples, not English-speaking, but sharing with them much of a common civilization and tradition, should also be united with them—be really United Nations.*

It is futile to suppose that sovereign governments under the old system or their civil servants

can be expected to welcome unanimously these great and revolutionary changes to a new order. It is not enough, with hands folded on stomach, to say "The Government will do all." In the midst of war, governments have all too little time to spare for long-range schemes. Boldness and vision are not the invariable characteristics of politicians, nor must the deep-laid coherence of their plans for good be blindly presupposed.

Nor, again, must the superior knowledge in detail of the government be offered as a reason why the ordinary citizen should cease to concern himself about broad principles and objects such as are here discussed. Otherwise it is the end of democracy. Unofficial associations of citizens cannot be quit of the obligation to bestir themselves on these matters of general policy, and to sound, stir and lead public opinion.

As Mr. Attlee well said, "We agree with the view recently expressed by Mr. Sumner Welles, that planning for the post-war period cannot be left until the end of the war, and we in the United Kingdom are therefore considering our plans now." The Premier of Canada, Mr. Mackenzie King, has said: "If the new order is not already on its way before the war is over we may look for it in vain." Lord Halifax, speaking in

Philadelphia on 26 Feb., 1942, added the warning: "It is an easy but insecure assumption that comradeship in war will of its own momentum carry over into peace."

Under all the circumstances the amount of support given to proposals for Anglo-American 'integration' in the highest quarters is gratifying. Although Mr. Willkie's suggestions were not immediately taken up, about eight months later the British Minister of Health, Mr. Ernest Brown, went beyond Mr. Willkie's call for reciprocal citizenship by voicing a demand for common citizenship. To select an instance from personal experience, my own pioneer book *One Anglo-American Nation*, based on a survey of Canadian and American views and urging the adoption of Mr. Willkie's suggestions, received some measure of endorsement from the then Minister of Supply (and Lord Beaverbrook, a Canadian, has many times spoken on this issue); the First Lord of the Admiralty, Mr. A. V. Alexander; the Secretary of State for India, Mr. Amery; the Minister of Health; the Minister of Economic Warfare, Dr. Dalton (who also conditionally endorsed Mr. Streit's proposals); as well as ex-Lord Chancellor Sankey; the late Secretary of State for War, Mr. Hore-Belisha; the present Archbishop of

Canterbury; the ex-President of the Trades Union Congress; Professor Gilbert Murray; Señor de Madariaga, and many others. It earned the condemnation only of Dr. D. W. Brogan. In the United States far more pronounced views have been sponsored by Mr. Ickes, Mr. Justice Roberts, Mr. Robert Sherwood and Mr. Russell Davenport. All this may be but a small straw. It may yet point the direction of a rising wind that will blow down whole forests of dead wood.

## V

What practical steps should be taken now? Here so much depends upon the timing, and upon whether it is the United States, the Dominions or Britain that we have under consideration.

Difficulties of communication in war-time indefinitely retard political movements that must cross existing international lines. Delegations from trade unions, employers, rotarians, and churches do something, but not enough to overcome these difficulties. Official sponsorship is almost a prerequisite of rapid locomotion and of free contacts. Approach to public opinion is subject to these fetters. Articles in journals are subject to censorship and delay. Much, however, is still

possible where public demand makes itself so unambiguously heard that officialdom and embassies, despite their precedents, cannot ignore or avoid the challenge. The remedy lies with the people themselves on both sides of the water and in the Dominions.

Perhaps the first observation to make is that it is not the business of the citizens of any one country, at this stage, to instruct those of another how they should morally think, or what their political conduct ought to be. Raymond Gram Swing, in a wise article recently in the *Sunday Express*, deprecated the conduct of the British visitor to America who wears an air of gloom because America does not do just what he would like done and who shoulders, like Atlas, all the burden of responsibility for what the American voter ought to think. He is not asked to do any such thing. He should mind his own business. Equally, it is not the Englishman's business to go around in Britain suggesting that, although he personally would like Anglo-American unification, he knows by some intuition that America will not be interested. That statement, often made, is contrary to the evidence (as explained earlier). His business is to stimulate opinion in his own country and not, in Pecksniffian style, to "pass

the buck" to another country. The present anti-Union propaganda is taking this form. "We should so much like this close union—although we have done very little tangible about it—but, alas! the other fellow . . ."

One practical and not unimportant step is a vast improvement in services supplying material *information*. For four men who have heard of the Dnieper Dam only one has heard of the Tennessee Valley Federal water-power scheme, which embraces an area the size of England. Government Departments, especially the Board of Education, are making a modest but still inadequate beginning. Two and a half million copies of a book on the Russian "organization of  $\frac{1}{8}$  of the world", have been sold; and knowledge of the civilizations and way of life of France and Russia far exceeds that of the United States or even of our Dominions. There is something entirely unhealthy in this dearth of information and concurrent lack of interest in English-speaking experiments. There is often gross misunderstanding of ways of life not represented, but rather distorted, by tales from Hollywood or Chicago or the Yukon goldfields. Full and accurate information needs to be supplied.

Lord Balfour once spoke of "such a thing as an English-speaking method of looking at the

great affairs of mankind ". That sense of a *common culture* needs to be made more articulate, and the affirmation of its values more confident.

Further, before any positive programme is undertaken, a negative one is required of "*hindering hindrances*" and actively *removing causes of misunderstanding* which arose so disastrously after the last war and will almost certainly, unless checked, re-arise after the present war. An indication of their nature in at least one direction is given in a speech at Bristol by Mr. Harcourt Johnstone, M.P., Secretary of Overseas Trade, who said (23rd November, 1941):

" We shall have to increase our export trade by £50,000,000 a year if we are to maintain, let alone increase, our pre-war standards in this country. That will involve a tremendous effort. Competition will have to be increased in many directions. Great new manufacturing and engineering plants will have sprung up in America and the Dominions."

In the post-war world, struggles for over-sea markets would be " fiercer than ever before." There is no talk here of a planned co-ordination but only of nationalist economic competition, fiercer than before the war. There are great



potentialities of rivalry between the dollar bloc (including Canada) and the sterling bloc. There are possibilities of resentment, again, over the charge of the war and over the protracted American leasing of bases in the West Indies. At all costs the situation that obtained in Washington in the 1920's must not be permitted to recur. It is only out of the conviction that all this is eminently probable that the fierce faith is likely to arise that nothing less than resolutely moving forward into the obligations of a newer and wider community—truly United Nations—is enough.

Facts and events favour this advance, which is likely to be in four steps. First comes the recognition of *common civilization* and common way of life, inspiring mutual confidence. Then comes *joint defence* both during and after the war. Already the North American Permanent Joint Defence Board exists, with joint American and Canadian chairmen—the American chairman being the Mayor of New York.

There is also the leasing of the West Indies aerial and naval bases to the United States—which, whatever may be the situation in the future, are present grounds of comfort. There are the joint use of naval bases in the Pacific and the repair of British warships in American naval yards and the

joint air-training scheme. There is the American Declaration of a State of War. There are the United Command in the Pacific—which must be preserved after the war—the Anglo-American General Staffs Commission, and the Caribbean Commission.

Back of the firing-line lie the munitions factories. The next step beyond common defence is the *economic step of collaboration* in plans military and civil. Economic commissions already exist for the consideration of these plans between the United States and the British Commonwealth. Perhaps a Planning Commission may be developed. Thanks to the new activities of the Joint War Production Committee, the collaboration of the United States and Canada will be even closer than hitherto. There are the joint Munitions Assignment Board, and the combined Shipping Adjustments and Raw Material Boards. The White Paper of 26 Feb., 1942, has opened a new era in economic relations. *Common currency control* and *free migration* cannot be considered to be out of the question. Looking into the future, the potential co-ordination between the United States and the British Colonies is now being emphasized. From the former quarter the capital may come for their proper post-war development. Further, as Lord

Cranborne has pointed out, the Dominions stand in need of increased population of assimilable stock.

The final political step cannot be avoided. Economic tensions are violent. They cannot be overcome in purely financial and material terms, but only in terms of newer and political or moral loyalties. Mere economic institutions are administered by men who must, and will, at present, be subject both to political criticism and to sovereign parliaments.

It is subject to this necessary check on our optimism that we must welcome perhaps the most promising proposals for the substantial and enduring Union of the United Nations at the present time (of which Anglo-American Union or American-Canadian Union is but part). These are the proposals for economic integration, and especially for *technical and administrative interlocking of organization and personnel*, for the new purposes of post-war relief, re-construction, public works and planning in Europe and the Far East, in which America and the British Commonwealth can jointly, it is suggested, lend a hand. The Shotwell Commission for the Organization of Peace and Professor E. H. Carr, in his admirable *Conditions of Peace*, have stressed this development. The coming peace and reconstruction have to be shaped by

the use of the existing technical machinery. Moreover, for the maintenance of order, a professional nucleus already exists in the interlocking of the *defence services*. This must be perpetuated, and extended through liaison officers and interchange of information to the *peacetime civil services*. *This is perhaps the most substantial immediate task.*

I do not know the American who, were he convinced that the United States would become repeatedly involved in European wars, would not demand that the United States should have some effective voice in the control of British policy and commitments. If, however, such a voice is to be responsible, it must come from a body of opinion organically and not casually connected with that policy.

I cannot practically go further now than eminent Americans such as Mr. Winant and Mr. Willkie. At this stage I cannot do more than urgently advocate, first, Mr. Willkie's proposal of reciprocal citizenship, or, perhaps, take a step forward with Mr. Ernest Brown to the advocacy of common citizenship, and, secondly, the establishment of a War Council which will become in due course a Permanent Standing Conference that will supervise the various technical commissions for Planning, for Control of Raw Materials,

Food Purchase, Transport Control and the rest, and which will increasingly enjoy the substance of sovereign authority in all matters that are not those of "state rights" or of large-scale local government. It is to be hoped that we shall see Mr. Roosevelt speaking from the bar of the House of Commons or the throne area of the other House, *not* as a mere courtesy, but as a deliberate constitutional precedent. It may be that some consistent collaboration between Parliamentary or Congressional groups in their respective legislatures, can be worked out. The instant obligation is to get some frontiers abolished now; to get Anglo-Saxony constituted as a vital and growing nucleus for other appropriate countries willing to unite; to establish mighty precedents in the West for the actual political unification of the United Nations of mankind; to establish without jealousy a precedent in *at least* One Re-United Nation. In this matter I am a resolute advocate of union without waiting for any. It is an example that will be followed in many other quarters of the globe. Indeed, even now, Poles and Czechs, Jugoslavs and Greeks are giving to us the lead.

The politics of the future will be that of great population masses. The 400,000,000 of China, militarized and industrialized; the 380,000,000 of

India; the 200,000,000 and over, of the U.S.S.R., have an assured place in the future history of the world. Biology ultimately governs politics. That is what France, that once proud Power, learned. The West can unite, not under the hammer of power politics—save as Hitler has hammered us into the United Nations—but by will of the common people and by entirely peaceful means to preserve in turn peace. But it is well to recall that the population of Britain alone is only slightly in excess of the 40,000,000 of Java, of which island many people a little while back had scarcely heard. Such a Britain after the war will not be “in the First League game,” or in the Second, but playing somewhere “down the field.” The question is not whether its voice will dominate, and the tradition for which it stands, but whether its voice will be even heard. But the story is different with the 189,000,000 of the Anglo-Saxon peoples, and different again with a united liberal West or with a united socialist Europe. Such a liberal West could help into existence such a Europe.

Reciprocal citizenship is administratively not impracticable. Juristically and symbolically it represents a stupendous advance along the road of constituting greater communities—in this case a community directly responsible for one quarter

of the globe. This is substantial union and, under whatever constitutional forms, is the core of the matter for the common people and citizens, and their guarantee of a wider citizenship, a new city and a more assured peace through united areas held together in a world league. It may be that a union of states and provinces, Maine and New Brunswick and Scotland, will be easier to bring about than union of the existing sentimental units such as the United States and Great Britain. The population of New York State is less different in size from that of England than it is from that of Nevada. These are forms of procedure. What matters is the *concurrent* development of the *will* or sentiment for union with the *practice* of collaboration in day-by-day *economic and administrative detail*. As Mr. Ernest Bevin has said: "I always feel that the practicality of a thing is determined by the will of the people who are called upon to carry it out. If there is no will, it is comparatively easy to say that a thing is impracticable." In the phrase of Mr. Oliver Lyttelton, "there is nothing we are more likely to get than the things which we wish for." Here indeed we can and should subscribe to a "hope and faith, sure and inviolate," for which some of us have laboured for wellnigh twenty years and which now seems to be

rapidly passing into the field of immediate and practical politics. We are, together, as the Premier said, "a people." As one of the leading London newspapers declared in its headline of December 27th, 1941, "Churchill says Federate"—which indeed Mr. Churchill himself advocated for Europe in an article in the Sunday press in 1938. Sir William Beveridge, in his preface to Lord Lothian's Burge Lecture of 1935, writes, "The cause of war is the anarchy of sovereign states. The end of war throughout the world can only come through world federation." In Lord Lothian's words, "*There is only one way of ending wars.*" "There is no alternative to the federation of all nations except endless wars," solemnly declares the Act of March 13, 1941, of the Legislature of North Carolina. Of this operative union of the peoples we may indeed say:

"Sail on, O ship of state,  
Sail on, O union strong and great."

Or, adapting words of Milton written in 1641, we may say of this Union Without Privilege of the West: "Joyn your invincible might to doe worthy, and God-like deeds, and then he that seeks to break your union, a cleaving curse be his inheritance to all generations."



# WORLD GOVERNMENT AND WORLD PEACE

*By* K. ZILLIACUS

THE case against international anarchy as a breeder of war need no longer be argued. Governments and public opinion alike are committed to establishing some kind of international authority to keep the peace of the world. Their pledge is sealed in the Atlantic Charter, and in the speeches of leading European, British and American statesmen.

Nor is it necessary to plead that international organisation must be world-wide if it is to preserve peace. The second world war in living memory is impressive testimony to the truth of Lord Cecil's words, uttered some years ago: "War anywhere may become war everywhere", and of Litvinov's famous saying "Peace is indivisible".

The question that remains—and it is big enough, in all conscience—is what kind of international authority we should try to establish. Let us consider the aspects of the situation relevant to this question, in the hope of finding an answer.

In this war four-fifths of humanity are pitted against the remaining fifth. Africa, America, Asia

and Australia are the theatre of war as much as Europe, and in Europe the main battlefield is in the Soviet Union. The reconstruction commitments of the Allies mean that the Western Hemisphere and the territories of the British Commonwealth will supply most of the food and raw materials needed for relief and reconstruction in Europe and the Far East. Air transport, to which, as Lord Runciman has recently said, it is impossible to set limits after this war, and the development of instant long distance communications by wireless, broadcasting and television, will bring continents as close together as countries were before the last war, and make it technically feasible for enormous populations over huge areas to have a common government.

It is clear in the light of these facts that any new system of international government will have to be far more truly world-wide than the predominantly European Geneva League. Europe has ceased to be the world's political centre of gravity. Thanks to the enormous industrial development of the Dominions, India, China and Japan, stimulated by the war, taken in conjunction with the probable working of the plans for economic reconstruction already referred to, and of the relations between the U.S.A. and the States bene-

fitting under the Lease-Lend Act, Europe will no longer be the world's economic centre of gravity. It seems doubtful whether even the main geographical divisions of the world will have much meaning in terms of the post-war organisation of society.

Virtually the whole of Europe and large areas of Africa and Asia will be in the same derelict condition after this war and in as much need of international government as was Central Europe, from the Baltic to the Balkans, after the last war. The collapse of Hitler's system of imperialist exploitation will leave intact the necessity for preserving the economic unity of Europe that he has created, while reorganising it and joining it with some system of world planning for the economic objects of the Atlantic Charter.

The liberation of Abyssinia, the collapse of the Italian Colonial Empire, the independence conferred on Syria, the forces that will be released in the French African Empire by the overthrow of Vichy, and the changes in British colonial rule under the pressure of war necessities, point to the future of Africa and the Middle East becoming a matter of urgent international concern.

The fall of Western imperialism in the Far East under the impact of Japanese aggression, the

overthrow in its turn of Japanese imperialism, the liberation of India, our alliance with China and the emergence of that vast and ancient civilisation as a modern Great Power—all these things point to a future for the Far East very different from the past.

A further great difference is the change in our economic system since the last war. Planning, in the sense of State intervention, public ownership and control to achieve certain social ends, has come to stay.

This evolution in the capitalist democracies is surpassed by what has happened within the Fascist Axis and the countries controlled by them. The U.S.S.R. has a completely socialised economy. These developments point to the imperative need for world economic planning as well as transport controls, as an integral part of any effective system of world government.

Last but not least, the victory of democracy in this war has become inseparable from social revolution in the enemy and enemy-controlled countries. Our ally is the Soviet Union and we are committed, in conjunction with our ally, to imposing such a degree of military defeat on the Fascist Axis and their satellites as will induce their peoples to overthrow the Nazi, Fascist and Quisling

regimes and adopt democratic government in their place. But a democratic revolution against Fascism cannot help becoming to some degree a social revolution against capitalism.

In Germany, Italy and Japan the land-owning ("Junker") class, big business and the bankers kept alive the nationalist and militarist traditions and stimulated the war preparations that were the raw material for Fascist ideology and aggression. They directly financed and in other ways encouraged and supported the Fascist movements, their motive being mostly to preserve the social order and combat "Communism" (i.e. any form of Socialism). The leaders of these classes and their properties have become an integral part of the Axis systems of planned economy.

The enemies of Fascism in the Axis countries are determined to put an end to the existence of Junkerism and plutocracy as part and parcel of the job of extirpating Fascism. They propose to retain economic planning, but on a new democratic basis and with social security and welfare instead of war as its aim.

In the enemy-controlled countries, whether in Central Europe or the Balkans or to the West and North of Germany, the business and banking community, who were the backbone of appease-

ment, have for the most part sold out to and are co-operating with the Fascist and Quisling regimes. The honourable exceptions have been dispossessed. In these countries too the defeat and overthrow of the Fascist and Quisling regimes will mean that there will be some form of democratic planning based on public ownership and control of the great resources of the nation.

What Fascist and Quisling defeat will do for a large part of the world, general elections may do for this country and the U.S.A. At any rate, there will be a sharp tussle between Right and Left to decide for what social and international ends we shall plan.

These developments are part of the evolution of our economic system just discussed. They reinforce the need for an effective system of world government to which that evolution pointed.

The 26 United Nations admittedly constitute the nucleus of any future world government. The nucleus is universal, for it contains Latin-American States as well as European (mostly émigré) Allies and is dominated by three world Powers and one Asiatic Great Power.

The Big Four—U.S.A., U.S.S.R., British Commonwealth and China—are jointly responsible for winning the war and making the peace. It is of

the utmost importance that they should stay joined after the war, for their unity is the only solid foundation for a world government and any split between them might open the door to another arms race and ultimately another world war. To this combination a free India should be added, for that sub-Continent will be a great power in Asia.

In the case of China almost as much as of India there must be a liquidation of the old imperialist heritage before there can be a new international relationship based on equality and reciprocity. In the United States there is no opposition to this. In this country the opposition is already virtually defeated.

There will be a sterner struggle over our future relationship with the Soviet Union. In this case the opposition will be stronger in the United States than in this country, although here too it will be stiff. But in this country, as a B.I.P.O. poll has shown, 86 per cent of public opinion wants us to co-operate with the Soviet Union permanently. That is the declared policy of the two Governments. Moreover, after the defeat of Hitler the Soviet Union will be the first military power in the world, without whose participation there can be no stable world settlement.

Between the great English-speaking democracies a new close relationship is growing up. The American and British Commonwealth defence systems have been virtually fused by the establishment for 99 years of American naval and air bases in British possessions; by the Canadian-American Joint Defence Board and Canada's membership of the Pan-American Union; by the U.S.A. assuming responsibility for the defence of Australia and New Zealand and backing those countries' claim to full equality in the Pacific War Council at Washington; by the joint commands in war areas, the formation of the Anglo-American Chiefs of Staff Committee, and the pooling of the American and British Commonwealth air training schemes into a single vast system; finally, by the declaration in the Anglo-American agreement of February 23, 1942, that "the President of the United States has determined pursuant to the Act of Congress of the 11th March, 1941, that the defence of the United Kingdom from aggression is vital to the defence of the United States".

The Lease-Lend Act has been superseded by a pooling of war production that virtually fuses the economic systems and abolishes the mutual tariff barriers of the English-speaking world in service to a common cause. American agriculture has



been geared to our war-time food needs. There are joint Anglo-American-Dominions Boards for Munitions Assignment, Raw Materials, and Shipping Adjustment. The sterling and dollar blocs are virtually fused and the two currencies are "pegged" to each other in what is practically a monetary union. There is joint scientific research, the exchange of inventions and the standardisation of types of weapons.

The English-speaking world have undertaken as a common task to produce, buy, store, transport and distribute most of the food and raw materials that will be rushed to the peoples liberated from Fascism. Mr. Arthur Greenwood, while Minister for Reconstruction, emphasised that these joint emergency relief measures were designed to lead to international policies for economic reconstruction.

The Anglo-American agreement of February 23, 1942, defining how what this country received under the Lease-Lend Act during the war can be repaid in goods and services after the war, pledges the two countries to "agreed action . . . open to participation by all other countries of like mind, directed to the expansion, by appropriate international and domestic measures, of production, employment and the exchange and consumption

of goods, which are the material foundation of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce and to the reduction of tariffs and other trade barriers; and, in general, to the attainment of all the economic objectives set forth in the Joint Declaration made on the 12th August, 1941, by the President of the United States of America and the Prime Minister of the United Kingdom " [i.e. the Atlantic Charter].

This treaty commits us and the U.S.A. jointly, in co-operation with other like-minded nations, to national as well as international planning for the economic purposes laid down in the Atlantic Charter, namely access on equal terms for all peoples " to the trade and to the raw materials . . . needed for their economic prosperity "; " securing for all improved labour standards, economic advancement and social security "; and finally " freedom from want " for all men in all lands.

The pursuit of these objectives in world affairs quite clearly postulates planning for similar purposes in the domestic affairs of the nations concerned. A recent report of the National Resources Planning Board (a United States Federal Government agency) entitled " After the War—Full Employment " demonstrates this connection be-

tween domestic and international policies in reverse order. For its proposals for the internal policies of economic reconstruction to be pursued by the U.S.A. after the war end with the following:

- “ 6. International collaboration to pursue internal policies designed to promote active employment; to explore developmental projects in backward countries; and to implement ways and means to open outlets for foreign investments, promote world trade, and the effective world-wide use of productive resources.”

What has been said points to the following conclusions: The U.S.A. are in world affairs to stay; they intend to take a leading part; the purpose for which they have abandoned isolation is not an Anglo-American Union or any other form of alliance designed to create a new balance of power, but for the newer and more hopeful purpose of partnership with all like-minded nations, in particular the English-speaking nations, in organising the world for peace. The nature and strength of America's world purpose will depend on the outcome of the struggle between plutocracy and democracy within the U.S.A.

The Americans are in world affairs to stay, because the overwhelming majority of American

opinion is convinced of the final failure of isolation. Last time they really believed with Wilson that they were the only "disinterested" people in that war, and were crusading for the 14 points. Versailles, Shantung and revelations about Pierpont Morgan and loans to the Allies naturally disillusioned them. They took drastic measures to keep out next time, come what may. But they had to fight, because America was attacked and because her future depends on the outcome of this war.

That the U.S. will play a leading part in world affairs is an inevitable consequence of the facts of the situation rather than a matter of declared purpose. The political, economic and an increasing share of the military leadership of the United Nations, including Australia, New Zealand and Canada, already comes from Washington rather than London. By the end of this war American production and armed forces will far outstrip ours.

The "universalist" purpose with which the U.S.A. have come into this war and intend to stay in world affairs has been made clear in the speeches of President Roosevelt and leading members of the Administration. It is expressed in the principles of world settlement contained in the Atlantic Charter. It is indicated in the Anglo-American agreement of February 23, 1942, which

says that the two Governments "are engaged in a co-operative undertaking, together with every other nation or people of like mind, to the end of laying the bases of a just and enduring world peace, securing order under law to themselves and all nations".

America's economic purpose in world affairs is clearly inseparable from her economic organisation and objectives at home, that is, from the outcome of the struggle between plutocracy and the New Deal that will certainly dominate the Presidential election of 1944. But America's international political purpose also depends on that struggle. For the supporters of plutocracy regard organising the world for peace as Utopian. Most of them stand for hemisphere defence, a few for the defence of the U.S.A. only, another minority group for a British-American alliance to defend our joint possessions.

Three facts are plain about our European Allies: The first, that their available armed forces, shipping and resources are part and parcel of the Anglo-American economic and military war-machine. The second, that they have finally lost the illusion that neutrality and clinging to national sovereignty is a possible policy but are opposed to any idea of treating continental Europe as a unit of organisation,

for that would mean German domination. The third, that they are willing to sacrifice whatever degree of sovereignty may prove necessary to become members, with the English-speaking peoples, of a Union or even Federation of democracies.

As regards this country, the painful fact must be faced that at the end of this war most of the British Empire will, for all practical purposes, have gone, while other parts will be full of unrest, and the United Kingdom will be impoverished and exhausted.

In these circumstances the wise policy for democracy in this country is to press for full British participation in forging a system of world government adjusted to modern realities, and to seek agreement with American democratic opinion on this policy. The American voluntary societies concerned with international relations have already joined forces and begun to hammer out a common policy. There are signs that the British societies may do the same. If they could establish contacts across the Atlantic and Pacific and adopt a common British-American-Dominion policy for organising the world for peace, world opinion would be given a much-needed lead, our political warfare would be heavily reinforced, and the American and British Governments would soon

find it necessary to define how they intended to apply the principles of the Atlantic Charter.

The following, it may be suggested, are the main points that must be taken into account in any future organisation of world peace:

1. The United Nations should during the war frame a draft treaty constituting a World League, with a clause contemplating a Union or even Federation of Democracies as an integral part of the wider organisation, and as a further development of the closer relationship within the United Nations that already exists between the U.S.A., the British Commonwealth and our European Allies. This Union, to begin with, would consist of the Democracies among the United Nations at present in control of their own territories—i.e. the English-speaking nations and a few Latin-American States. Soon after the armistice it might well include our West European Allies, and notably France, for the French people, when liberated from Hitler and Vichy, will undoubtedly vote for union with the English-speaking democracies on the lines of Mr. Churchill's offer that came too late. But whatever its eventual membership, the main point is that the Democratic Union would be initiated and integrated with the World League as part of a general arrangement worked out

jointly by the whole United Nations, and notably carrying the approval of our other chief partners, the U.S.S.R. and China.

2. The World League should take over the machinery and such of the functions and obligations of the Geneva League of Nations, International Labour Organisation and Permanent Court of International Justice as it seemed desirable to preserve, but combining them in a single constitution, with one budget, one secretariat and one seat, and all subject to the final authority of an Assembly and Council of Government delegates. This is more economical and efficient than the previous separate existence of these three bodies. In the same way there should be no fooling around with the old Public International Health Office in Paris, the Postal Union in Berne, the International Institute of Agriculture at Rome, &c. It was part of the feebleness of the Geneva League that it failed to overcome even the small vested interests that maintained the separate existence of these other international organisations. This time we must have a single comprehensive world organisation that absorbs and integrates all international institutions serving any useful purpose including (*mutatis mutandis*) the war-time economic and transport controls.



3. All decisions in the Council and Assembly should be by majority vote, but with the power for any State member to contract out, within a specified period (say 30 days), of executing a decision from which it dissented. This would substitute the political responsibility of taking an *ex-post facto* national decision not to co-operate, for the Geneva League's anarchic legal right to prevent the taking of an international decision by opposing a veto. The fact that the right was seldom exercised is less important than that its mere existence and potential use meant blackmail and bargaining, timid compromise and the too frequent use of vague formulae and the technique of adjournment to cover up disagreement.

4. There should be an International Consultative Parliament composed of delegations elected by proportional representation from the legislatures of member States. Each member of every delegation would have one vote in the I.C.P. The size of the delegations would vary in accordance with a scale similar to that of, e.g. the Inter-Parliamentary Union, or to that used for allocating the League's budget. All reports, resolutions and other decisions of the I.C.P. would be by majority vote. They could not bind Governments, but the Governments whose Parliaments were

represented would be pledged to submit the reports and resolutions of the I.C.P. to their Parliaments and to find time to debate them. They would also automatically be on the agenda of the League Assembly. A body of this sort was proposed as part of the League at the Paris Peace Conference. The proposal was lost chiefly owing to American Isolationist opposition. The I.C.P. would do adequately, and with semi-official authority, the work of bringing democracy to bear on the international plane that was imperfectly and amateurishly performed during the Geneva League's existence by such bodies as the Inter-Parliamentary Union and Federation of League of Nations Societies.

5. The Council would consist of permanent and elected members, as in the Geneva League, with similar procedure for changing their number. The original permanent members would be the U.S.A., U.S.S.R., United Kingdom, China and India, or any Union of States containing one or more of these powers.

6. A special section of the treaty constituting the World League would define the relations between the League and a Union of Democracies, and lay down the conditions with which the Union would have to comply in order to enjoy the

position in the League accorded it in this section. Thus the Union would have to include at least one of the permanent members of the Council, and so itself be a permanent member. In return for the members of the Union waiving their right to separate representation and consenting to the Union being a single member of the World League, the Union would be granted a number of votes and delegates in the Council and Assembly of the League proportionate to, say, the relation of its population to the combined populations of the whole League, and/or of its financial contribution to the total budget of the League. The Union's delegates in the League would, of course, represent the Union as a whole and not its separate members. How they were selected would be an internal matter for the Union.

Any member of the World League could become a member of the Union on application, provided the applicant satisfied the Government and Parliament of the Union that it was able and willing to fulfil the obligations of membership.

The Union would be responsible for framing and revising its own constitution, which must, however, contain the substance of the following provisions: (a) A declaration that the policy and purpose of the Union, in its relations with the

rest of the world, was to uphold the obligations of the World League and to work for the progressive transformation of the latter into a World Commonwealth based on democracy, social justice and racial equality. (b) A Charter of Rights, including civil liberties and free election, free education, the right to employment and leisure, to a minimum standard of living and free care of the sick, the aged and of those incapable of work. (c) Common citizenship and central control of migration. (d) A common democratically elected Parliament and a common Government. (e) A single defence system with a common War Office, Admiralty and Air Ministry; common control of war industries and standardisation of armaments; common training establishments for officers of all arms; a Union Air Force, Army and Navy. (f) Central control of inter-State trade, leading to a customs union within a specified period; a monetary union; an international bank and investment board; common economic planning subserving common social purposes; central control of inter-State transport and communications, including a Union civil aviation monopoly; (g) a common colonial policy under central control and eventually administration, based on the Open Door principle in relation to all the members of the

World League and directed to raising social and educational standards in non-self-governing colonies and training their populations for self-government, so as progressively to emancipate these territories from tutelage and ultimately to incorporate them in the world community as fully self-governing members. (h) A common educational policy, under central supervision, based on agreed principles for the teaching at least of history and international relations. (i) Except where powers of government had been delegated in the constitution of the Union to the central government, the constituent States would retain their *sovereign rights*. *Disputes on this and kindred issues would be settled by reference to the Supreme Court of the Union.*

7. There should be an obligation never to resort to war, nor to use force as an instrument of national policy, and to refer to the Permanent Court of International Justice all disputes not settled within, say, a year by other pacific means (i.e. negotiation, conciliation, mediation, arbitration, or the Council and/or Assembly of the League). This means in effect making universal the compulsory jurisdiction of the Court and incorporating the Briand-Kellogg "Outlawry of War" Pact in the Covenant. This change, although in existing circumstances valu-

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able as a symbol rather than of great practical importance, is long overdue.

8. All members of the World League would be pledged to sever economic and financial relations with a State declared guilty of aggression by a two-thirds majority of both the Council and the Assembly. Any State failing to fulfil this obligation would be regarded as an accessory after the fact to aggression. For trading with an aggressor means supplying him with the sinews of war, i.e. directly helping him to commit aggression. The spread of economic planning, the fact that in modern warfare almost all goods are directly useful to belligerents and so contraband of war, and the licensing in particular of all such exports as arms and munitions of war, aeroplanes and aeroplane parts, makes it impossible to separate trade relations from the political responsibility of the Governments of the countries concerned.

9. The permanent members of the Council (including the Union of Democracies) would in principle be the only States in the world allowed to possess military air forces, panzer divisions, tanks or ships above a certain tonnage or of certain types, or artillery above a certain calibre, in return for accepting a special obligation jointly to maintain world law and order, to stop any out-

break of war and generally to act as the world's police force, and to promote international co-operation, on the basis of the constitution and working through the machinery of the World League. The permanent members of the Council would give effect to their special joint obligation by concluding a regional agreement pledging them to joint staff consultations and to permanent economic and political co-operation. That is, they would enter into a relationship going beyond a permanent alliance, and possibly even as far as confederation, within the framework and for the purposes of the World League.

All other States should in principle have the right to possess only the armaments and forces necessary to maintain internal order.

These provisions recognise the fact that only the greatest States can use modern arms on an effective scale and that self-defence for small sovereign States has ceased to have any meaning. They also recognise that the whole principle of sanctions—all States ready to quarrel with any State that broke the law—was unreal. It was an attempt to square the circle by combining national sovereignty with an international loyalty that could spring only from the sense of being members of a common community with common institutions

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and interests transcending sovereignty. Lastly, it recognises that vast entities such as the U.S.S.R., India, China, the U.S.A. and the British Commonwealth (or rather a Union of Democracies comprising both the latter and others besides) are not national States but the great majority of organised mankind. If they fall out, everything fails and we have a civil war of humanity. Therefore we must base our plan on the assumption that they hold together and give them every inducement to do so. When they do, they govern the world in fact. So let them do so in form as well—but as constitutional, not despotic, rulers. And let there be an ever-open door for all small States to enter the charmed circle of the rulers and to gain the maximum of freedom and security for their citizens, by sacrificing their sovereignty and joining the Union of Democracies.

10. In conformity with the economic and social pledges of the Atlantic Charter, with Anglo-American official statements, and with the undertakings of Article 7 of the Anglo-American agreement of February 23, 1942, there should be more far-reaching obligations than those of the Covenant of the Geneva League, as regards (a) Economic and financial matters (e.g. obligations concerning equal access to trade and raw materials, reduction



of tariff barriers, etc.; machinery such as an Economic Planning Board, an International Bank and Investment Board); (b) transport and communications (e.g. international control of civil aviation and a Board for co-ordinating and developing inter-State transport and communications by road, rail, water and air, by post, telegraph, telephone and wireless); (c) public health and social questions (e.g. obligations concerning standards of nutrition, hours and conditions of labour, economic security, control of drugs and diseases; machinery such as a stronger I.L.O. and a single, world-wide health organisation); (d) co-operation on matters such as education (in particular the teaching of history and international relations); facilities for journalists and the diffusion of news; broadcasting programmes; scientific research; protection of patents, copyright, etc.

II. Application of the mandates system to all non-self-governing colonies (if any remained outside the Union of Democracies), but with the Mandates Commission having the power to send its agents to investigate conditions on the spot and more far-reaching provisions than those of Art. 22 of the Covenant.

It is not necessary to enter into such matters as the allocation of the budget, registration of treaties,

conclusion of regional agreements and revision of the constitution of the World League. In all of these matters minor improvements could be made on the provisions of the Covenant.

As regards the question of "peaceful change", Art. 19 of the Covenant might be retained if desired, with the proviso that a two-thirds vote of the Assembly would suffice for the purposes of this Article. But it must be stated bluntly that the whole question of "peaceful change", conceived as lawsuits for changing frontiers between sovereign States, through "equity tribunals" or moral suasion by the Assembly, or both, is another instance of mere confusion of thought. It attempts to square the circle by combining State sovereignty—the essence of which is the *liberum veto*—with the acceptance by minorities of the decision of majorities, which is democracy and the very antithesis of sovereignty. In the proposed system of world government there is all the room and encouragement needed for desirable peaceful changes through the growth and activities of the Democratic Union (sec: 6) the drawing together of the permanent members of the Council and their joint activities (sec: 9) and through the steady expansion of the institutions and work of the whole League under (sec: 10).

The enemy States would be admitted to the World League at the Peace Conference. There would be no Peace Conference and no resumption of economic relations with the enemy States until their peoples had overthrown the Nazi and Fascist regimes. They would take a full share in the work and benefits of the Reconstruction Commission in accordance with the pledges of the Atlantic Charter and of Allied statesmen, in return for helping to make good the material damage done to the extent of their capacities. If and when any or all of them would be admitted into the Council of the League and/or into the Democratic Union, and, in general, how they would be given ultimate equality of status within the new system of world government would depend, step by step, on the decisions of the great majority (say three-quarters) of the other States concerned.

The plan outlined is a bold one. It involves wide departures from the League of 1919-39. But it is technically feasible and psychologically possible. It is carefully adjusted to the realities of to-day and to-morrow. The proposals it makes are commensurate with the needs of a world in the throes of revolutionary change, a world where imagination and audacity are more realistic than timidity and caution.

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